



TITLE

Green Island Road Project Budget Reconciliation

RECOMMENDATION

Adopt a Resolution amending the FY2026-2027 Capital Budget and increasing the Project Budget from \$20,074,000 to \$22,600,000, in conjunction with the Green Island Road Reconstruction and Widening Project (TR16-0700).

CONTACT

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BACKGROUND & ANALYSIS

The Green Island Road Reconstruction and Widening Project (TR16-0700) ("Project") consists of reconstructing 1.9 miles of existing roads, including Green Island Road (from Paoli Loop to Jim Oswalt Way), Jim Oswalt Way, Mezzetta Court, Commerce Boulevard (north of North Slough), and Hanna Drive. In order to deliver the desired road improvements, the Project's scope has included a myriad of efforts that may well be characterized as sub-projects. Major efforts have included:

- i. Procurement of Project funding via formation of Community Facilities District
- ii. Procurement of Project funding via Economic Development Administration grants (twice)
- iii. Procurement and delivery of railroad improvements, (\$1.7 million)
- iv. Right-of-Way Acquisition, including special legal counsel (\$400k)
- v. Project Design of three City Construction Contracts (\$1.7 million)
- vi. Procurement and delivery of overhead utility relocation and undergrounding (\$2.7 million; TR16-0703)
- vii. Procurement and delivery of domestic water system improvements (\$800k; WA25-0100)
- viii. Procurement and delivery of road improvements (\$14.1 million; TR16-0700)

In all, the Project's cumulative costs presently stand at an estimated \$21.4 million. This excludes the Class I Trail project (TR16-0704), budgeted at \$1.3 million.

With respect to the Project's overall duration, it is one of the City's longest standing efforts, approaching the end of its eleventh year. As the Project is nearing its relative end, Public Works -

Engineering and Finance Department staff have sought to audit and reconcile the Project's various expenditures.

Based on its evaluation, staff recommends amending the FY2026-27 Capital Budget and increasing the Project Budget from \$20,074,000 to \$22,600,000. The amendment seeks to reconcile salaries over the life of the Project, resolve issues stemming from the complexity of the multiple sub-projects and their corresponding budgets, fund on-going right-of-way efforts, and acquire additional contingency funds for the on-going construction of the Project.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

The current Project Budget summary is shown below. It is recommended that the proposed increase be funded by Fund 381 (CFD Tax - Construction). Approximate fund balance available after increase will be \$1.8M. The remaining fund balance will be utilized for additional road improvement projects throughout the remainder of the district under consideration for future CIP cycles. Aside from the CFD - Construction Fund, a CFD - Maintenance Fund (Fund 281) exists for ongoing maintenance expenses throughout the district and contains a fund balance of \$310,000.

Fund Number (Name)	Current Amount	Proposed Increase	New Amount
Fund 381 (CFD Tax)	\$10,192,000	\$2,526,000	\$12,718,000
Fund 240 (EDA Grant)	\$5,748,000	\$0	\$5,748,000
Fund 320 (TIF)	\$1,222,000	\$0	\$1,222,000
Fund 510 (Water Ops)	\$1,555,000	\$0	\$1,555,000
Fund 540 (Wastewater Ops)	\$72,000	\$0	\$72,000
Fund 210 (Measure A)	\$1,185,000	\$0	\$1,185,000
Fund 211 (Measure U)	\$100,000	\$0	\$100,000
Total	\$20,074,000	\$2,526,000	\$22,600,000

As noted above, a portion of this funding increase is intended to provide for additional contingency on the on-going road construction Project, which has encountered a significant amount of unforeseen conditions related mainly to conflicts with existing utilities, localized poor subsurface conditions which were not identified through investigative efforts during the design phase, and mitigation of traffic impacts. The increased contingency effectively increases the Construction Budget from \$15,128,149 to \$15,530,000. Authorization of this amount correspondingly increases the Public Works Director's authorized limit to execute Contract Change Orders in an aggregate amount not to exceed the Construction Budget.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act ("CEQA"), an Initial Study/Mitigated Negative Declaration ("IS/MND"), that includes a "Mitigation Monitoring and Reporting Plan ("MMRP"), was prepared for the Project and circulated for 30 days starting on August 27, 2019. A Notice of Intent ("NOI") to adopt a Mitigated Negative Declaration ("MND") was posted at the County Clerk in accordance with the CEQA requirements on August 27, 2019.

A public hearing for consideration of the Project and its IS/MND was noticed and held on October 1, 2019, before the City Council, which at that meeting determined 1) based upon the record that the Project will not have a significant effect upon the environment if the mitigation measures listed in the MND and MMRP are implemented; 2) adopted the IS/MND for the Project; 3) adopted the MMRP for the Project, and 4) directed staff to file a Notice of Determination for the Project consistent with the CEQA Guidelines. The IS/MND evaluated the separate actions the City will take to complete the Project including the road work currently proposed.

ATTACHMENTS:

[1. Resolution](#)