



City Council Report

Date: June 5, 2017
To: City Council
Through: Scott J. Butler, Deputy City Manager
From: Jodi Sorrell, Transit Services Director
Subject: Gilbert Road Light Rail Extension Funding Adjustment
Council District 4

Purpose and Recommendation

This is to request that the City Council approve the attached resolution authorizing the City Manager to repurpose several additional City street projects within the Maricopa Association of Governments (MAG) Arterial Life Cycle Program to fund the Gilbert Road LRT extension. Council is also requested to authorize the City Manager to fund the revised local match for the Project.

Background

In 2012, the MAG Regional Council amended the Regional Transportation Plan at the City's request to repurpose \$153,366,043 within the MAG Arterial Life Cycle Program to instead fund the Gilbert Road LRT extension. The 5.7% local match for the use of these federal funds was \$9,270,270. In addition, there is \$2 million available for the Project in pass through funds for a total of \$164,636,313 in available funding for the Gilbert Road extension.

Once MAG approved repurposing these funds, the Project moved into preliminary engineering in 2013. Prior to starting preliminary engineering, very little design had been completed for the Project, which made it difficult to estimate the Project cost. As with all major public works projects, the project cost estimate would change as design proceeded.

However, not long after preliminary engineering started, a lawsuit regarding the issuance of Project bonds was filed which delayed design and project development for nearly two years. During the two-year delay, the economy began to rebound and construction costs escalated. Also, during this time frame there was a significant rain event which highlighted the need for retention facilities to prevent the Project area from flooding. This necessitated adding retention basins to the Project.

Once the courts rejected the lawsuit on Project bonding, design proceeded. During this phase of design the Project scope began to expand beginning with the discovery that additional utility relocation work was needed. In addition, the City added a number of improvements to address public comments for improvements to landscaping, curb, gutter and sidewalk. All of these improvements, project delays, along with rising construction costs added significantly to the overall Project cost. With the completion of 60% design in August 2015, the Project cost estimate

increased to \$162.6 million. This amount was within the balance of available funds and no additional funding was needed.

In the fall of 2016, METRO began negotiating the guaranteed maximum price for the Project. Once design and the negotiations were completed at the end of 2016, the total project cost estimate was \$186,029,221, which is about \$21.4 million more than the available amount of funding that had been set aside for the Project.

In February of this year, the METRO Board adopted the new project budget and authorized a contract for the final phase of construction. The updated Project budget increased the City's 5.7% local match by \$1,353,337 to an estimated total of \$10,623,607. Funding the updated Project budget also requires the City to repurpose additional City street projects within the MAG Arterial Life Cycle Program.

Discussion

In late 2016, City staff began a thorough review of the City's projects that are funded in MAG's Arterial Life Cycle Program. City staff considered a number of factors in reviewing its remaining Arterial Life Cycle Program projects. These factors included traffic volumes, crash data, and traffic/roadway configurations. Upon completing the analysis it was determined that five intersection projects did not warrant improvements at this time due to low traffic volume and a low number of vehicle crashes. These projects are listed below and in the attached map. The federal funding allocated in the MAG program for these five projects totals \$22,389,393.

- Lindsay Road at Brown Road
- McKellips at Lindsay Road
- McKellips Road at Greenfield Road
- McKellips Road at Higley Road
- McKellips road at Recker Road

As noted above, four of these projects are located on McKellips Road. These projects were included in the proposed MAG Arterial Life Cycle Program in the 2002/2003 timeframe, which was not long after the Red Mountain Freeway and Santan Freeway were completed through the City. However, traffic volume on McKellips Road did not increase as much as projected as traffic diverted to use the regional freeway system, which runs parallel to McKellips Road in these locations.

Fiscal Impacts

The additional repurposing of projects will increase the City's local match for the Gilbert Road LRT Extension from \$9,270,271 to \$10,623,607.

Coordinated With

This Project agreement has been coordinated with the City Attorney's Office, Financial Services Department, Office of Management and Budget, Transportation Department, Engineering Department, Valley Metro Rail, Maricopa Association of Governments and the City of Phoenix.