

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	11/08/10	Open	Action	10/19/10

Subject: Approving First Amendment to Supplemental Agreement Richards Boulevard and 12th and 16th Streets Intersection Project

ISSUE

Whether or not to approve the First Amendment to Supplemental Agreement Richards Boulevard and 12th and 16th Streets Intersection Project with the City of Sacramento.

RECOMMENDED ACTION

Adopt Resolution No. 10-11-_____, Approving the First Amendment to Supplemental Agreement for Richards Boulevard and 12th and 16th Streets Intersection Project with the City of Sacramento.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	0
Budget Source:	Capital	Next FY:	\$	647,203
Funding Source:	Capital Reserves	Annualized:	\$	647,203
Cost Cntr/GL Acct(s) or Capital Project #:	R255 – Richards Blvd/12 th and 16 th Street Grade Crossing	Total Amount:	\$	1,294,405
Total Budget:	\$ 1,294,405			

DISCUSSION

On April 3, 1985, Regional Transit (RT) and the City of Sacramento (City) entered into the Sacramento Light Rail System Operations Agreement. The Agreement provides the terms under which RT operates and maintains light rail within the City limits. Included in the Agreement is a provision requiring that whenever the City undertakes new construction in the vicinity of light rail, RT is obligated to pay that portion of the City's construction costs that are directly attributable to the existence of the light rail system.

The City constructed a project that signalized the intersection at Richards Boulevard and 12th and 16th Streets within the City's right of way. RT's light rail system operates within the limits of the City's project and required modifications to the light rail crossing of the proposed extension of Richards Boulevard. Pursuant to the 1985 Agreement, RT is responsible for the signaling and street warning systems components of the City's project.

A Supplemental Agreement to the 1985 Operation Agreement for the purpose of setting out implementation procedures and terms relating the Richards Boulevard Intersection Project was executed on August 16, 2005. The total project estimate was \$3,227,000 and RT's share was estimated at \$1,192,000 with a provision for RT to reimburse actual costs incurred. The City and

Approved:

Presented:

FINAL 11/1/10

General Manager/CEO

AGM, Engineering and Construction

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RT worked with SACOG to advance RT’s portion of the funding out of available federal flexible funds with the local match to the federal funds to be reimbursed to the City in fiscal year (FY) 2007. However, the City encountered difficulties in implementing the improvements necessary to gain California Public Utilities Commission safety approvals. As a result, the City incurred additional costs attributed to the light rail safety systems which increased RT’s share of the project costs by \$1,294,405.

Repayment of these additional costs was originally programmed to take place over the course of 5 years. Due to RT’s financial difficulties, repayment of those monies to the City has not been made. As the Financial Forecast Model anticipates sufficient revenues to establish a reserve fund, staff is updating the 5-year Capital Improvement Plan to include repayment of the balance due beginning in FY 2012.

The First Amendment establishes a repayment schedule of \$647,203 in FY 2012 and \$647,202 in FY 2013 with a provision for accrual of interest at a rate of two percent (2%) per year on the unpaid balance, commencing as of July 8, 2009 and continuing until paid in full.

Staff recommends approval of the First Amendment to Supplemental Agreement Richards Boulevard and 12th and 16th Streets Intersection Project.

RESOLUTION NO. 10-11-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 8, 2010

APPROVING THE FIRST AMENDMENT TO SUPPLEMENTAL AGREEMENT FOR RICHARDS BOULEVARD AND 12TH AND 16TH STREETS INTERSECTION PROJECT WITH THE CITY OF SACRAMENTO

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

WHEREAS, the Supplemental Agreement between the Sacramento Regional Transit District, therein referred to as "RT," and the City of Sacramento, therein referred to as "City," whereby City agrees to construct for RT, as a part of City's Richards Boulevard Project certain light rail improvements estimated to cost \$1,192,000, and RT agrees to relinquish its right to claim a specified amount of federal capital funds in exchange for allowing City to use an equal amount of Regional Surface Transportation Program funds to be advanced to RT for this purpose by the Sacramento Area Council of Governments was executed on August 16, 2005.

WHEREAS, additional work attributed to light rail safety systems required to gain California Public Utilities Commission safety approvals for completion of the project increased RT's share of the project costs by \$1,294,405.

THAT, the First Amendment to Supplemental Agreement acknowledges repayment of \$1,294,405 during fiscal years 2012 and 2013 with a provision for accrual of interest at a rate of two percent (2%) per year on the unpaid balance, commencing as of July 8, 2009 and continuing until paid in full.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment to Supplemental Agreement

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary