

Capitola City Council

Agenda Report

Meeting: September 12, 2024

From: Public Works Department

Subject: 41st Avenue Pavement Rehabilitation and Multimodal Improvements



Recommended Action: Adopt a resolution to amend the FY 2024-25 budget to allocate \$300,000 of Santa Cruz County Regional Transportation Commission grant funding to the Capital Improvements Budget for planning, specifications, and permits related to the 41st Avenue Pavement Rehabilitation and Multimodal Improvements Project.

Background: In October 2023, the City applied for \$2M through the Santa Cruz County Regional Transportation Commission's (SCCRTC) 2023 Consolidated Regional Transportation Grants call for projects to rehabilitate 41st Avenue from Clares Street to the northern City limits (Attachment 1). This section of roadway is scheduled for rehabilitation in FY 2025-26 in the City's 5-year Pavement Management Program (PMP) due to its poor condition. To qualify for the funding, the project included multimodal improvements, such as a separated bike lane over the 41st Avenue overpass, enhanced signage, and lane striping to improve driver navigation at the north and south entrances to Highway 1. Traffic studies previously completed by Santa Cruz County have demonstrated these improvements will help alleviate congestion in this corridor. In December 2023, the City was awarded \$1M for this project.

Discussion: Staff has initiated discussions with Caltrans regarding the necessary permits to work within their right-of-way, which extends from the Gross Road intersection north over the overpass to the City limits. Initially, staff anticipated the project would qualify for a standard encroachment permit due to minimal changes to the road configuration. However, staff has been informed the project will require a Caltrans Design Engineering Evaluation Report (DEER) due to the existing substandard lane width of the overpass and the addition of a separate bike lane. Initial discussions with Caltrans also suggested the project may require the replacement of some signal poles and additional signage to meet current standards.

The DEER process involves detailed environmental assessments, extensive engineering designs, and thorough review processes. The City's on-call traffic engineering consultant, Kimley-Horn, estimates completing the DEER, including developing bid-ready plans and specifications, will take 9-10 months and cost approximately \$300K (Attachment 2).

The total project cost, including permitting costs and the DEER required by Caltrans, is estimated at \$2.3M. The City's adopted CIP includes funding for 41st Avenue pavement improvements during FY 2025-26. With the award of \$1M from SCCRTC, staff faces a project deficit of \$300K.

Staff returned to SCCRTC to discuss options for reallocating the funds originally designated for construction to fund the DEER process. SCCRTC staff supported continuing with the project as proposed, noting its strong support during the grant evaluation process. SCCRTC staff indicated \$300K of the \$1M can be administratively redirected to cover DEER expenses and made available for the current fiscal year.

While it is possible to request SCCRTC reallocate the \$1M in awarded funds to other City projects, this would require SCCRTC Board approval. Additionally, to proceed with the scheduled 41st Avenue pavement rehabilitation, the City will need a permit from Caltrans for in-kind replacement of striping, which, while less costly, is not negligible.

Given these considerations, staff recommends proceeding with the request to allocate \$300,000 to the planning phase to complete the DEER. These funds originally intended for construction will need to be replaced, either by securing additional funding or by adjusting the project scope, such as reducing the project area or modifying the rehabilitation methods.

Fiscal Impact: The total project was initially estimated at \$2M for FY 2025-26, with \$1M awarded by the SCCRTC and the remaining \$1M expected from dedicated roadway funds, as included in the 5-year PMP. \$300,000 from the SCCRTC will be applied to planning, specifications, and permitting in FY 2024-25. During this phase, staff will develop updated estimates and may adjust the project scope or seek additional funding sources for construction in FY25-26.

Attachments:

1. Project Funding Application
2. DEER Cost Estimate
3. Resolution

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager