



Folsom City Council Staff Report

MEETING DATE:	4/28/2026
AGENDA SECTION:	Old Business
SUBJECT:	Resolution No. 11603 - A Resolution Authorizing the City Manager to Execute Contract Amendment #1 with R.E.Y. Engineers, Inc. for the Riley Street Safety Improvement Project, Project No. PW2101, in the Amount of \$1,616,074 using \$1,430,710 from a Federal Grant and \$185,364 from the Transportation Improvement Fund (Fund 446) and Appropriation of Funds in the Transportation Improvement Fund (Fund 446)
FROM:	Public Works Department

RECOMMENDATION / CITY COUNCIL ACTION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 11603 – A Resolution Authorizing the City Manager to Execute Contract Amendment #1 with R.E.Y. Engineers, Inc. for the Riley Street Safety Improvement Project, Project No. PW2101, in the Amount of \$1,616,074 using \$1,430,710 from a Federal Grant and \$185,364 from the Transportation Improvement Fund (Fund 446) and Appropriation of Funds in the Transportation Improvement Fund (Fund 446)

BACKGROUND / ISSUE

The Riley Street Safety Improvement Project is a high-priority initiative to improve pedestrian safety and connectivity along Riley Street between East Bidwell Street and Sutter Street. Riley Street serves as a critical corridor linking Sutter Middle School, the Central Business District, and Historic Folsom.

A 2020 feasibility study prepared by R.E.Y. Engineers, Inc., segmented the corridor into three primary areas, documenting severe deficiencies in sidewalk continuity, Americans with Disabilities Act (ADA) compliance, storm drainage, and pedestrian crossings. Key hazards include substandard or missing sidewalks, non-compliant curb ramps, inadequate stormwater

infrastructure, and challenging grades along the section of Riley Street between Mormon Street and Sutter Street.

In February 2022, Congressman Bera’s office requested a call for projects for potential federal funding that included a City cost share requirement of 11.47%. Public Works staff submitted a request for the Riley Street Safety Improvement Project, and the project was ultimately chosen to receive \$4 million in project funding with a local cost share requirement of \$518,243. This Congressionally Directed Spending grant funding includes a requirement that funds must be obligated to the appropriate project phase by September 30, 2026.

On November 14, 2023, City Council authorized the City Manager to execute a Program Supplement Agreement with Caltrans Local Assistance to accept \$400,000 of the grant funding that is allocated to the preliminary engineering phase and allowed the City to proceed with design. Below is a summary of the original project funding.

Project Phase	Federal Funding	City Cost Share
Design	\$400,000	\$51,825
Right of Way	\$200,000	\$25,912
Construction	\$3,400,000	\$440,506
Total	\$4,000,000	\$518,243

In August 2025, City Council approved Resolution No. 11452 to execute a design and engineering contract with R.E.Y. Engineers for the project to initiate project approval and environmental document (PA&ED) tasks. The intent as outlined in the staff report for that August 2025 item was to complete PA&ED tasks for the entire project length, along Riley Street from Sutter Street to East Bidwell Street. Upon completion of the environmental document, staff would return to City Council to present options to proceed with the final design of a Phase 1 portion of the project that could be designed and constructed within the remaining funding timelines required by the federal grant.

As both the preliminary design and environmental clearance have progressed on the project, the design team identified multiple unanticipated project constraints and challenges that are impacting our project delivery timeline and have required staff to consider options to ensure we can maximize the use of the available grant funding. As noted above, the Congressionally Directed Spending grant funding requires funds to be obligated by September 30, 2026. In discussions with Caltrans Local Assistance staff who process the requests for obligation, such requests should be submitted approximately six weeks in advance to ensure approval by the deadline. Therefore, in order to obligate construction funds by September 30, 2026, the project would need to obtain environmental document approval and complete the final design of a Phase 1 project by approximately August 15, 2026.

Staff and the project team attended a Field Review meeting with Caltrans on January 14, 2026, and following that meeting, Caltrans environmental reviewers provided feedback that requires more extensive and detailed environmental technical studies than were initially anticipated and were originally included in the scope of work. Preparation and approval of these additional

technical studies is anticipated to take several months and will not allow sufficient time for final design and obligation of construction funds for a Phase 1 project.

Additionally, as part of preliminary design efforts, the Utilities Department was consulted with, and it was found that there are planned water and sewer infrastructure improvements anticipated for Riley Street within the project limits within the next five years. In order to avoid trenching through new pavement, the Departments agreed that there would be mutual benefit to incorporating the necessary water and sewer infrastructure into the Riley Street Safety Improvement Project.

Staff requested a contract amendment proposal from R.E.Y. Engineers to incorporate the additional environmental technical study efforts, add in the water and sewer infrastructure design, and complete full right of way and design services for the entire project.

POLICY / RULE

Section 2.36.080 of the Folsom Municipal Code states, in part, that contracts for supplies, equipment, services, and construction with an estimated value of \$77,426 or greater shall be awarded by the City Council.

ANALYSIS

The proposed contract amendment #1 includes the following expanded services:

- Water and sewer system improvements have been added to the scope of the project to ensure that all underground infrastructure improvement and repairs are completed prior to pavement treatment within the project limits. Water system improvements consist of the complete replacement of the existing water main and associated water services. Sewer system improvements consist of partial mainline replacement, targeting the repair of identified areas. To effectively connect these proposed improvements to the existing water and sewer systems, the limits of the project will be extended on the north and south ends of Riley Street as well as within the side streets including Peddlers Lane, Figueroa Street, Figueroa/Mormon Alley, Mormon Street, Mormon/Natoma Alley, Natoma Street, and Persifer Street. The assumed limits of the water and sewer system improvements are shown on the attached draft APE map dated February 2026.
- Since this project utilizes federal funding sources, it is subject to the requirements of the National Environmental Policy Act (NEPA) and compliance with Caltrans Local Assistance procedures. After reviewing the project information and meeting with the project team on site, Caltrans environmental reviewers have required more extensive and detailed environmental technical studies than were initially anticipated and were included in the scope of work. Additionally, the footprint of the originally scoped technical studies has increased to accommodate the water and sewer system improvements.
- The initial scope of work from August 2025 focused on providing PA&ED services for the entire project length – from a point south of Sutter Street to a point south of Bidwell Street – and right of way and plans, specifications, and estimates (PS&E) services for a Phase 1 segment of the project that was assumed to include improvements from Natoma Street to

a point south of Bidwell Street. The proposed amendment #1 revises the scope of work to include right of way and final design services for the entire length of the project.

Staff is working with Caltrans and SACOG to move the construction grant funding to the design phase to fund this additional design work, as summarized in the table below.

Project Phase	Federal Funding	City Cost Share
Design	\$3,800,000	\$492,331
Right of Way	\$200,000	\$25,912
Construction	\$0	\$0
Total	\$4,000,000	\$518,243

Staff have reviewed the R.E.Y. Engineers' scope and fee to provide the additional services and concur with the level of effort required to comply with Caltrans requests and full design efforts for this phase of the project.

Staff will use the City's standard contract amendment in a form acceptable to the City Attorney.

FINANCIAL IMPACT

The City of Folsom applied for and successfully secured \$4,000,000 in Congressionally Directed Spending during Fiscal Year 2023 to fund the design and construction of the Riley Street Safety Improvement Project with a total local cost share of \$518,243 (11.47%). These federal funds are being administered through the Sacramento Area Council of Governments (SACOG), and the Preliminary Engineering phase has already been formally programmed in the Metropolitan Transportation Improvement Program (MTIP) under SACOG ID SAC25350.

The Riley Street Safety Improvement Project, Project PW2101, was included in the Fiscal Year 2025-2026 Capital Improvement Plan with a budget of \$587,902 in the Transportation Improvement Fund (Fund 446). Resolution No. 11452 approved an additional appropriation of \$170,340 in the Transportation Improvement Fund (Fund 446) to cover the cost of the original design and engineering consultant agreement.

If approved, the contract amendment #1 would require an additional appropriation of \$1,616,074, for a new total contract amount of \$2,276,038. Costs would be initially funded through the Transportation Improvement Fund (Fund 446) and reimbursed by the federal grant at an 88.53% rate.

If approved, the total project budget for the Riley Street Safety Improvement Project, Project No. PW2101 would increase to \$2,374,316. Sufficient funds are available in the Transportation Improvement Fund (Fund 446) for this appropriation.

ENVIRONMENTAL REVIEW

The Riley Street Safety Improvement Project is expected to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Section 15301 – Existing Facilities. Environmental studies are ongoing and CEQA and NEPA compliance documentation will be brought to City Council at a later date.

ATTACHMENTS

1. Resolution No. 11603 – A Resolution Authorizing the City Manager to Execute Contract Amendment #1 with R.E.Y. Engineers, Inc. for the Riley Street Safety Improvement Project, Project No. PW2101, in the Amount of \$1,616,074 using \$1,430,710 from a Federal Grant and \$185,364 from the Transportation Improvement Fund (Fund 446) and Appropriation of Funds in the Transportation Improvement Fund (Fund 446)
2. Project Area of Potential Effects (APE) Map

Submitted,

Rebecca Neves, PUBLIC WORKS DIRECTOR/CITY ENGINEER

ATTACHMENT 1

Resolution No. 11603 - A Resolution Authorizing the City Manager to Execute Contract Amendment #1 with R.E.Y. Engineers, Inc. for the Riley Street Safety Improvement Project, Project No. PW2101, in the Amount of \$1,616,074 using \$1,430,710 from a Federal Grant and \$185,364 from the Transportation Improvement Fund (Fund 446) and Appropriation of Funds in the Transportation Improvement Fund (Fund 446)

RESOLUTION NO. 11603

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT #1 WITH R.E.Y. ENGINEERS, INC. FOR THE RILEY STREET SAFETY IMPROVEMENT PROJECT, PROJECT NO. PW2101, IN THE AMOUNT OF \$1,616,074 USING \$1,430,710 FROM A FEDERAL GRANT AND \$185,364 FROM THE TRANSPORTATION IMPROVEMENT FUND (FUND 446) AND APPROPRIATION OF FUNDS IN THE TRANSPORTATION IMPROVEMENT FUND (FUND 446)

WHEREAS, the City of Folsom has identified the Riley Street Safety Improvement Project as a priority to improve pedestrian safety along the Riley Street corridor; and

WHEREAS, the project was selected to receive \$4 million in Congressionally Directed Spending funds with a local cost share of \$518,243 and is eligible for federal reimbursement; and

WHEREAS, City Council approved Resolution No. 11452 authorizing the City Manager to execute a design and engineering contract with R.E.Y. Engineers, Inc. to prepare project approval and environmental document (PA&ED) for the Riley Street Safety Improvement Project; and

WHEREAS, Caltrans environmental review feedback and comments have led to expanded technical studies from the initial scope to obtain approval of the environmental document; and

WHEREAS, the City desires additional planned water and sewer infrastructure improvements along Riley Street to be included in the project scope; and

WHEREAS, an appropriation in the amount of \$1,616,074 in the Transportation Improvement Fund (Fund 446) will be required, for a new total not-to-exceed contract amount of \$2,276,038; and

WHEREAS, sufficient funds are available in the Transportation Improvement Fund (Fund 446) for the appropriation, for a new total project budget of \$2,374,316; and

WHEREAS, reimbursement in the amount of \$1,430,710 will be received through Caltrans invoicing and will be credited to the Transportation Improvement Fund (Fund 446), resulting in a net financial impact of \$185,364; and

WHEREAS, the contract will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Contract Amendment #1 with R.E.Y. Engineers, Inc. in the amount of \$1,616,074 using \$1,430,710 from a Federal Grant and \$185,364 from the Transportation Improvement Fund (Fund 446) for an updated not to exceed contract amount of \$2,276,038 for the Riley Street Safety Improvement Project, Project No. PW2101.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Director is

authorized to appropriate \$1,616,074 in the Transportation Improvement Fund (Fund 446) for the Riley Street Safety Improvement Project, Project No. PW2101.

PASSED AND ADOPTED on this 28th day of April 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

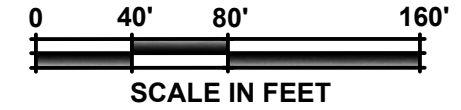
Project Area of Potential Effects (APE) Map



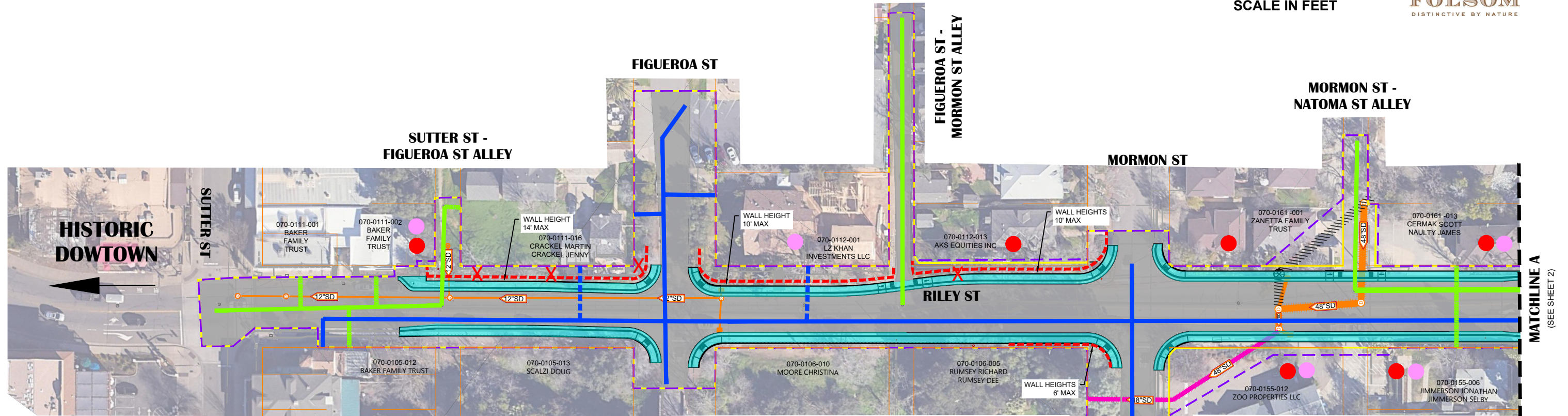
R.E.Y. ENGINEERS, INC.
CIVIL ENGINEERING | LAND SURVEYING | REMOTE SENSING

RILEY STREET SAFETY IMPROVEMENT PROJECT

APE MAP
February 2026



CITY OF FOLSOM
DISTINCTIVE BY NATURE



LEGEND:

- RIGHT OF WAY
- RETAINING WALL
- WATER IMPROVEMENTS (OPEN TRENCH)
- SEWER IMPROVEMENTS (OPEN TRENCH)
- STORM DRAIN IMPROVEMENTS (OPEN TRENCH)
- STORM DRAIN IMPROVEMENTS (NON DESTRUCTIVE CIPP LINING)
- (E)STORM DRAIN TO BE ABANDONED
- CONCRETE IMPROVEMENTS
- PAVEMENT IMPROVEMENTS
- REMOVE TREE
- AFFECTED PARCEL (PERMANENT ACQUISITION)
- AFFECTED PARCEL (TCE OR PTEC)
- AREA OF DIRECT EFFECT (ADE)
- AREA OF POTENTIAL EFFECT (APE)

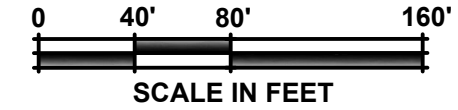
MATCHLINE A
(SEE SHEET 2)



R.E.Y. ENGINEERS, INC.
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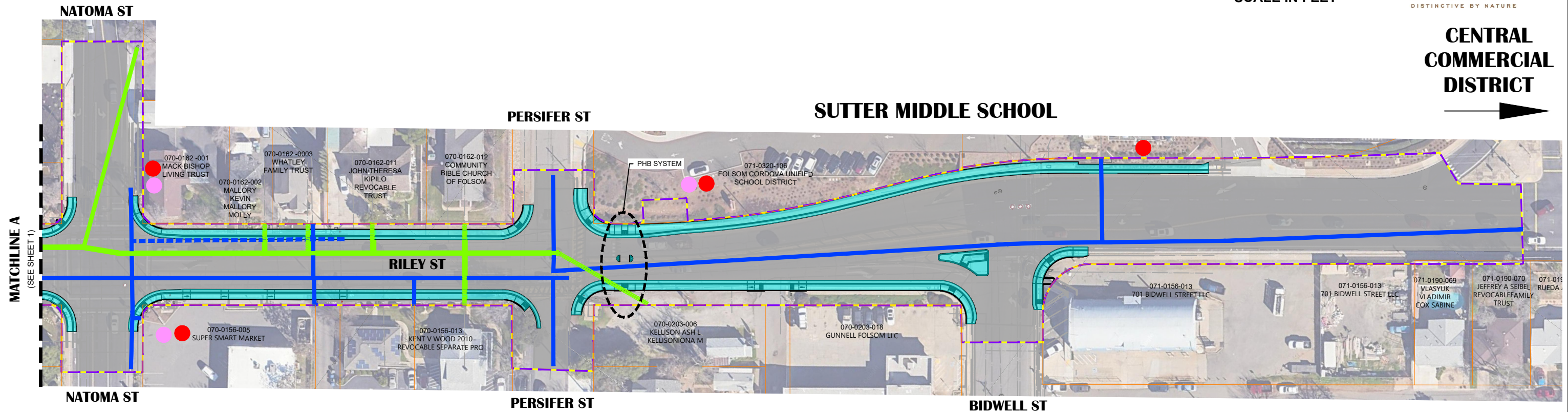
RILEY STREET SAFETY IMPROVEMENT PROJECT

APE MAP
February 2026



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

**CENTRAL
COMMERCIAL
DISTRICT**



LEGEND:

- RIGHT OF WAY
- RETAINING WALL
- WATER IMPROVEMENTS (OPEN TRENCH)
- SEWER IMPROVEMENTS (OPEN TRENCH)
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- STORM DRAIN IMPROVEMENTS (NON DESTRUCTIVE CIPP LINING)
- (E)STORM DRAIN TO BE ABANDONED
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- REMOVE TREE
- AFFECTED PARCEL (PERMANENT ACQUISITION)
- AFFECTED PARCEL (TCE OR PTEC)
- AREA OF DIRECT EFFECT (ADE)
- AREA OF POTENTIAL EFFECT (APE)

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to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE