

STAFF REPORT

CC/RDA ACTION 8D / 6B MTG. DATE: 12-16-10
APPROVED DENIED REC/FILE CONT.
OTHER _____
VOTE: YES 4 NO 1 ABSTAIN _____
Roche

DATE: December 16, 2010

TO: Honorable Mayor and City Council

FROM: Paul Goble, P.E., T.E.
Public Works Director

SUBJECT: Amendment Number 3 – City of Indian Wells and Indian Wells
Redevelopment Agency for the Design and Construction of Combined
Highway 111 Improvement Projects

Summary

Staff is recommending execution of the attached Highway 111 Improvement Project, CVAG Reimbursement Agreement, Amendment 3. The Agreement concludes extensive discussion and negotiation with CVAG regarding the next two phases of the Highway 111 widening project. CVAG has reported insufficient funding to fully complete the Highway 111 project at this time. As such, the Highway 111 improvements of highest priority have been included in the defined and CVAG approved phases of the project. The approved portions of the project, as defined by this Agreement include asphalt overlay, landscaped medians, limited signal reconfigurations and the widening of Highway 111 from Cook Street to Hospitality Row at the Indian Wells western city limit.

Project History

The Highway 111 Widening Project was conceived as a part of a valley-wide programmatic approach to improving safety and traffic flow throughout the Coachella Valley. In the City of Indian Wells, Highway 111 will ultimately be widened to six lanes to match the incoming lanes from La Quinta and Palm Desert. Construction will occur from the western City limit at Hospitality Row to the eastern City limit at the Deep Canyon Bridge. New signals will also be installed, new median islands constructed and landscaped, and sound walls constructed adjacent to certain residential communities. The Highway 111 Widening Project has been delayed as a result of funding limitations within CVAG and the City of Indian Wells Redevelopment Agency (RDA).

CVAG Reimbursement Agreement

In May 2010, the City requested a third Amendment to the project's Reimbursement Agreement dated November 9, 2006 and as previously amended August 31, 2007 and February 12, 2009. Previously, Amendment 2 of the CVAG Reimbursement Agreement more broadly defined the Phases of the Highway 111 Improvements, as shown in the attached table.

Highway 111 Improvement CVAG Reimbursement Agreement Amendment 2 dated February 12, 2009

Phase	Duration	Total Cost
1	18 Months	\$15,600,000
2	14 Months	\$23,790,000
3	12 Months	\$19,275,000
Total Project Cost		\$58,665,000
CVAG Share Not to Exceed		\$40,466,250
City of Indian Wells Share		\$18,198,750

Highway 111 Improvement Costs to Date (June 2006 – February 2010)

Item	CVAG	City of Indian Wells	Total
Soundwall No 1. (Eldorado to IW Lane)	\$678,992	\$678,992	\$1,357,984
Soundwall No. 2 (IW Lane to West of Miles)	\$1,614,353	\$538,118	\$2,152,471
Design & ROW Acquisition	\$1,749,072	\$583,024	\$2,332,096
Construction Phase 1A-1 (Rancho Palmeras Deceleration Lane)	\$418,502	\$139,501	\$558,003
Total	\$4,460,919	\$1,939,635	\$6,400,554

Highway 111 Improvement Costs (Phase 2 + Phase 3) – Pavement Rehabilitation, Street Grade Adjustments, Widening, Medians, ROW & Signal Modifications (March 2010 to December 2012 – Estimated Dates)

Item	CVAG	City of Indian Wells	Total
Pavement/Curb/Gutter	\$2,532,463	\$844,088	\$3,376,550
Median Installation	\$229,100	\$76,400	\$305,500
Design & ROW Acquisition	\$495,050	\$164,950	\$660,000
Median Landscaping	\$0	\$467,800	\$467,800
Signal Modifications – Cook Cabinet, Eldorado, Miles + Cook & Village Center (6 Lane Modifications)	\$435,000	\$415,000	\$850,000
Utility Relocation/Traffic Control/Driveways	\$915,000	\$305,000	\$1,220,000
Total	\$4,606,613	\$2,273,238	\$6,879,850

Street Surface Condition

Highway 111 was resurfaced approximately 15 years ago and requires interim maintenance to avoid increasingly significant deterioration and rehabilitation costs over the next few years. A 20 year design life span is typical for high volume, asphalt pavement, arterial roadways. A Highway 111 Pavement Management Program Report in 2006 indicated that most segments of Highway 111 were "well below a very poor range of the Pavement Condition Index." No significant pavement maintenance has been performed following the 2006 CalTrans relinquishment of the roadway to the City. Monthly crack and pothole repair requirements for Highway 111 are increasing in frequency as well as magnitude. Asphalt overlay of the Highway 111 segment from Cook Street to the eastern City Limit is necessary and integrates well with the requirements of Highway 111 grade adjustments and median installations.

Phase 2 (Year 2011 Start Date) & Phase 3 (Year 2012 Start Date)

Phase 2 of the Highway 111 widening constructs an asphalt overlay through the entire limits. The Phase 2 project will also include new medians (with additional pavement to adjust street grades), high priority signal reconfigurations at Miles and Eldorado and a new signal cabinet at Cook Street.

During Phase 2, the Highway 111 signal at Miles is proposed to be configured with a dual left eastbound turn to northbound Miles with a simultaneous right turn overlap from southbound Miles to westbound Highway 111, increasing intersection efficiency. Phase 2 will also allow for reconfiguration of the Highway 111 signal at Eldorado for protected left turn movements from Eldorado northbound and southbound to Highway 111 and installation of a right turn lane for eastbound Eldorado. Miles and Eldorado intersection revisions are required as a priority to both increase safety and reduce congestion. The Phase 2 project requires limited right of way adjustments at Miles Avenue, but does not construct sound walls or additional through lanes. Phase 2 also does not relocate any utilities. The Phase 2 improvements are proposed for installation during May – September, 2011, subject to final scheduling adjustments.

Phase 3 of the Highway 111 Widening/Beautification project is scheduled for installation during May-September, 2012 and will widen Highway 111 to 6 lanes from Cook Street to the western City limit. This area is of highest congestion and operates with a low efficiency, split phase signal at Highway 111 and Cook. The split phase operation of the Cook signal was removed in October 2010. The Phase 3, Cook to Hospitality Row segment improvements have been delayed as a result of a right of way acquisition dispute. The proposed Phase 3 improvement segment between Cook Street and Hospitality Row is of highest congestion and accident frequency and is a high priority. Significant utility relocations are required for Phase 3 and portions of the relocation work will be initiated concurrently with Phase 2 of the Highway 111 project.

Budgets/CVAG Contribution to Widening/Grant Funding

CVAG has implemented additional budgetary controls on the Highway 111 project to reduce total budget encumbrances relative to the project. The IW City Council is being presented the revised Reimbursement Agreement at the December 16, 2010 meeting. The Agreement reduces the approved defined project cost through Phase 3 completion to \$16.0 million from the previously estimated total Phase 1-12 project cost of \$58.6 million.

All Highway 111 widening costs, except landscaping, are subject to 75% reimbursement by CVAG. The total project costs to date (as of February 2010) are \$6.4 million with an estimated cost for Phases 2 and Phase 3 of \$6.9 million. Therefore, total costs of currently defined Highway 111 phases equal \$13.3 million or \$16.0 million with an overall 20% contingency factor. Estimates of total Highway 111 project costs vary, but based on the current highly competitive bid assumptions for the future Phases, cumulative project costs are now estimated as low as \$39.7 million as compared to the originally estimated total project cost of \$58.6 million.

Future Highway 111 widening phases, east of Cook will be defined based on funding availability, congestion mitigation needs and a CVAG approved 60,000 Average Daily Traffic count road widening trigger for a given road segment. The February 2010, Highway 111 ADT counts measured approximately 44,000 vehicles per day east of Cook Street and approximately 30,000 vehicles per day east of Miles Avenue. At Indian Wells, wide ranging traffic volumes, long duration traffic signal cycle lengths (to 130 seconds) and limited Indian Wells access points allow for a phased widening approach. Following completion of Phases 2 and 3 in 2011-2012 (estimated time schedule), Indian Wells plans to continue with the Highway 111 widening utilizing an additional number of construction phases moving in the easterly direction (Phases 4-12), focusing on specific segments of highest priority. Should grant funding for the Highway 111 widening become available, the phased construction approach will be accelerated as required.

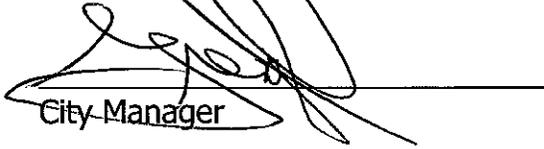
Sound Walls

CVAG is not in agreement to construct any additional sound walls or sound wall modifications until Phase 3 of the Highway 111 project is complete. Sound walls will be an integral part of additional widening efforts in Phase 4 and beyond with a 75% CVAG contribution to the wall systems.

Recommendation

Staff recommends the City of Indian Wells and Indian Wells Redevelopment Agency execute the attached Agreement. The Agreement was approved by the CVAG Executive Committee on December 6, 2010.

The Agreement will provide 75% CVAG cost sharing of Highway 111 resurfacing, center median installation, priority signal improvements as well as reconfiguration of the primary congestion point of the Highway 111 system (Cook Street intersection) and widening of all Highway 111 road segments west of Cook Street to the City Limit.



City Manager

Attachment: Highway 111 Improvement Project, CVAG Reimbursement Agreement, Amendment 3

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

AMENDMENT NUMBER THREE

to the

**CITY OF INDIAN WELLS and INDIAN WELLS REDEVELOPMENT AGENCY - CVAG
FUTURE REIMBURSEMENT AGREEMENTS**

for the

**Design and Construction of
Combined Highway 111 Improvement Projects**

THIS AMENDMENT NUMBER THREE is made and entered into this _____ day of _____, 2010, by and between **City of Indian Wells and the Indian Wells Redevelopment Agency (collectively "Agency")**, and the **Coachella Valley Association of Governments, a California joint powers agency ("CVAG")**, and is made in reference to the following:

In September 2006, the Executive Committee approved a Future Reimbursement Agreement with the City of Indian Wells for work on construction noise mitigation in the vicinity of Indian Wells Lane for the planned future widening to six lanes of Highway 111. The Future Reimbursement Agreement specifies how CVAG shall advance project costs to reimburse the assigned percentages thereof to the City of Indian Wells and the Indian Wells Redevelopment Agency.

In March 2007, the Executive Committee approved a second Future Reimbursement Agreement with the City of Indian Wells for the Remainder Highway 111 Improvements, such that construction of all the portions of Highway 111 within the city limits would then be covered by Future Reimbursement Agreements.

In June 2007, Amendment Number One to the two Future Reimbursement Agreements was approved to set a date certain when the future reimbursement by CVAG for the agreed 75% of qualified construction costs could occur. Amendment Number One established the date certain for future reimbursement for the Highway 111 Improvement Project to be Fiscal Year 2009/2010, in accordance with CVAG Future Reimbursement Policy Number 07-05.

In October 2008, the Executive Committee approved Amendment Number Two to the two Reimbursement Agreements to establish the funding breakdown for the project, and confirm CVAG's reimbursement schedule. Amendment Number Two also established the total project cost estimated at \$58,665,000. CVAG's share of that amount would be approximately \$40,466,250.

This Amendment Number Three shall:

Approve and Authorize CVAG Regional Funds for the regional share of costs for Phase 2 (revised) and Phase 3 (revised) and future phases required for widening Highway 111 to six lanes of the Highway 111 Improvement Projects, and;

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

Establish revised Phase 2 of the Highway 111 Improvement Project to improve the segment of Highway 111 between Cook Street and the eastern city limit of the city. Phase 2 provides for the installation of raised medians and additional pavement within the current four-lane roadway configuration to raise the street elevation to accommodate the grade of the planned future edge of pavement once the street is widened to six lanes. Revised Phase 2 also includes traffic signal and intersection modification at Cook Street, Eldorado Drive and at Miles Avenue. Construction of revised Phase 2 improvements is scheduled for May-September, 2011, and;

Establish revised Phase 3 of the Highway 111 Improvement Project to improve the segment of Highway 111 between Cook Street the western city limit of the city to six lanes. This construction will provide for alignment with the existing six-lane roadway in the neighboring City of Palm Desert. Construction of revised Phase 3 improvements is scheduled for May-September, 2012, pending resolution of litigation over eminent domain and an Order of Prejudgment Right of Way Possession for property located on the north frontage of Highway 111 in the Indian Wells Village II between Village Center Drive and Cook Street, and;

Modify Amendment Number Two to reduce the approved project cost to \$16.0 Million and provide for the commitment of CVAG regional funds not to exceed \$12.0 Million under currently CVAG approved revised Phase 2 and revised Phase 3. CVAG remains committed to funding future Phases of the Highway 111 Improvement Project as a high priority, and;

Establish a "Time Trigger" which will require that the Agency begin work on revised Phase 2, as described, within two years of approval of this Amendment Number Three, and;

Establish a "Time Trigger" which will require that the Agency begin work on revised Phase 3, as described, within two years following resolution of the present eminent domain and Order of Prejudgment Right of Way Possession litigation for the revised Phase 3 portion of the work, and;

Establish an "Event Trigger" which will require that the Agency begin work on a project to widen a buildable segment to six-lanes, as specified in the CVAG Transportation Project Prioritization Study (TPPS), within one year of the traffic level on that buildable segment of that portion of Highway 111 reaching 60,000 vehicles for the measure 24-Hour Average Daily Traffic (ADT), and;

Establish a "Drop Dead Trigger" such that CVAG funding support will not be assured for revised Phase 2 or revised Phase 3 if revised Phase 2 or revised Phase 3 construction is not initiated three years from the date of approval of this Amendment Number Three, and;

Require that failure by Agency to comply with the conditions of the "Triggers" described above will require repayment of any regional funds advanced for completed Phase 1 and revised Phase 2 or revised Phase 3 of the Highway 111 Improvement Project, except for completed traffic signal and intersection reconfiguration work. Repayment schedules are subject to negotiation and approval by the CVAG Executive Committee, and;

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Establish the Agency's right to sequence and accelerate Highway 111 design and construction phases within the limitations of the CVAG funding availability so that, for example, the Agency shall have the right to sequence a revised Phase 3 construction prior to completion of the revised Phase 2 construction. Nothing in this agreement is intended to preclude the Agency from initiating, and proposing CVAG funding support of, future phases, e.g. Phase 4, 5 , etc., even if the "triggers" described herein have not been fully satisfied, and;

Establish that the "Event Trigger", "Time Trigger" and requirements for Agency repayment of any regional funds advanced for completed Phase 1 and revised Phase 2 of the Highway 111 Improvement Project not in conformance with the TPPS, shall be null and void if CVAG reimbursement levels are reduced below 75% of the total project cost or if CVAG funding is not available if an Event Trigger or Time Trigger is reached.

CVAG acknowledges that the large scope of work and complexity of the Highway 111 Improvement Project require a significant number of additional phases not previously identified in existing or prior reimbursement agreements.

For purposes of this Amendment Number Three, the terms "revised Phase 2" and "revised Phase 3" shall be deemed to mean those conceptual plans for each respective Phase in existence as of the date of execution of this Amendment Number Three.

Agency and CVAG acknowledges that Agency and CVAG funding abilities are not sufficient to fully fund the previously executed Amendment Number Two and that this Amendment Number Three demonstrates cooperative Agency accommodation for this funding limitation. In consideration of execution of this Amendment Number Three CVAG remains committed to funding future phases of the Highway 111 Improvement Project. In addition CVAG shall provide matching funds, up to 75% of project costs, subject to availability, for any future phase whenever the Agency obtains funding from a third party for such phase.

All other conditions of the two approved Future Reimbursement Agreements, as well as Amendment Number One and Amendment Number Two thereto, shall remain in full force and effect.

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

The parties hereto have caused this Amendment Number Three to be executed by their duty authorized representatives on the above-referenced date.

ATTEST:

CITY OF INDIAN WELLS

By: _____
City Clerk

By: _____
Mayor

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

INDIAN WELLS REDEVELOPMENT
AGENCY

By: _____
Agency Secretary

By: _____
Chairman

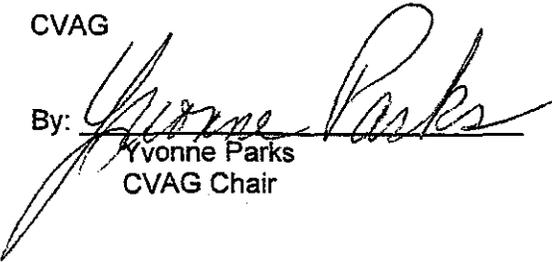
APPROVED AS TO FORM:

By: _____
Agency Counsel

ATTEST:

CVAG

By: _____
Tom Kirk
Executive Director

By: 
Yvonne Parks
CVAG Chair