

SBCAG STAFF REPORT

SUBJECT: Rincon Multi-Use Trail Project

MEETING DATE: January 20, 2022

AGENDA ITEM: 7

STAFF CONTACT: Fred Luna

RECOMMENDATION:

- A. Receive an update on Rincon Trail Project and options for funding cost increases.
- B. Provide direction on various options for funding pre-construction and construction cost increases.

SUMMARY:

On December 16, 2021, the SBCAG board heard a presentation on the Rincon Multi-Use Trail Project (Project) which focused on the status of the Project, risks related to delivery, and considered options for funding cost overruns in both pre-construction and construction. The SBCAG board took action to continue the item to the January 20, 2022 board meeting following a lengthy discussion, hearing of public comments, and answers to questions about each of the options presented by staff.

Staff will provide updated information to the board at the January 20, 2022 meeting, some of which is delineated below. This would include the following:

- Summary of additional conversations with staff from California Transportation Commission (CTC) and Caltrans Headquarters (CT-HQ);
- Update on Highway 101 Reserve balances;
- Update on proceedings from the City of Carpinteria Planning Commission meeting from January 18, 2022 (will be provided verbally at the board meeting due to timing).

DISCUSSION:

The Rincon Multi-Use Trail Project (Project) has several agencies involved in the delivery of the Project, however, the City of Carpinteria (City) is leading the environmental, design, right of way and construction phases. SBCAG is the recipient of the Active Transportation Program (ATP) grant for construction. Caltrans is the named applicant on conditions of approval that require implementation of this Project. The project was included in the Local Coastal Program Amendment (LCPA) approved by the City and the California Coastal Commission in 2015 due to coastal policy conflicts related to the implementation of both the Highway 101 HOV and Linden Avenue-Casitas Pass Road interchanges projects.

In December, SBCAG staff outlined the challenges the Project has encountered and risks to delivery as well as significant cost increases on the Project. The SBCAG board discussed the City's request for additional funds to complete the Project and get ready for construction, and secondly to fund a deficit in the construction cost for the Project currently estimated upward of \$12 million.

The Project is under a strict delivery deadline with the current programmed ATP funds. All avenues to extend deadlines are exhausted since the Project has already been granted a 20-

month time extension. By the end of August 2022, SBCAG must submit a request for allocation of the ATP funds or else those funds will be forfeited. To approve the funding request the CTC requires documentation that all milestones related to design, right of way, permits, have been met. That leaves seven (7) months to complete this work.

Options for Board’s Consideration

A description of the four funding options presented to the SBCAG board in December are outlined in Table 1 below. SBCAG staff met with CTC and Caltrans HQ staff on January 6, 2022 to provide them an update on the Project, and confirm some details on options presented to the board. Those updates are noted in *red italics* within Table 1 below.

Furthermore, on January 6, 2022, SBCAG’s Technical Transportation Advisory Committee (TTAC) supported staff’s recommendation to augment the RSTP Highway 101 reserve for use on projects in the 101 corridor through FY 26/27. The additional three years of RSTP funding would generate approximately \$13.5 million in new funding based on current estimates. The SBCAG board must approve the TTAC recommendation prior to the funding being able to be used on any project including the Rincon Project. The TTAC recommendation is on the January 2022 board agenda.

Currently SBCAG is looking to utilize the Highway 101 RSTP reserve coupled with remaining Highway 101 Measure A funds as a match to our Cycle 3 funding applications for Highway 101 corridor improvements in Montecito and Santa Barbara. Should the SBCAG Board approve the use of any of the 101 reserve to the Rincon Project that portion of funding would not be able to be pledged as a match for the Cycle 3 applications under SB1. If the Rincon Project fails to be delivered by August 2022, the board would be presented again with the option to revert the additional funding back to the 101 reserve with applications due in November 2022.

Table 1 – Delivery Options

Options	Description
Option A	The SBCAG board approves an action to support the Project and directs staff to take steps to fund pre-construction costs and construction costs to deliver the Project. <u>Total fiscal impact \$550,000 for pre-construction and up to \$12 million for construction capital from the Highway 101 reserve.</u> <i>As a hybrid to this Option, the board could fund the pre-construction work only to advance project delivery to a state of “construction readiness” and defer action on the commitment of construction funds pending successful and timely actions by the City on the environmental and permitting.</i>
Option B	The SBCAG board approves an action to support the Project and direct staff to take steps to fund pre-construction costs to advance Project to a state of “construction readiness” and the SBCAG board acknowledges the likely default on the current ATP construction funding. If current funding is forfeited, direct staff to work with Project partners to prepare an ATP application for the entire Project under ATP Cycle 5 beginning in June 2022. <u>Total fiscal impact \$550,000 for pre-construction from the Highway 101 reserve. No current commitment of funding for construction capital from the Highway 101 reserve.</u> <i>Based on recent developments and discussions, this Option B does not appear to be viable since the CTC indicated that funding cost increases would not be supported by a subsequent ATP application. See notes below related to Option C phased approach below.</i>
Option C	The SBCAG board approves an action to support the Project and direct staff to take steps to fund pre-construction costs to advance Project to a state of “construction readiness”. Work with City to phase implementation of the Project following successful approvals for environmental and coastal permitting. <u>Total fiscal impact \$550,000 for pre-construction and up to \$6 million for construction capital from the Highway 101 reserve.</u> Direct staff to work with Project partners to: 1) Confirm limits of Phase 1 implementation; 2) Work with CTC and Caltrans HQ on scope change; 3) Prepare an ATP application for Phase 2 of the Project under ATP Cycle 5 beginning in June 2022. <i>Based on recent developments and discussions, this option appears to be less viable for several reasons. Meetings with CTC and Caltrans staff have confirmed the ability to phase the project and concurrence with the limits of an initial phase, however, any subsequent phase would likely need</i>

Options	Description
	<i>to be funded by local funds entirely. Thus, the impact to the Highway 101 reserve would likely be \$6 million for Phase 1 and up to another \$8 million for the remainder. Furthermore, a major scope change would need to be approved by the CTC, which would not likely be approved until May 2022 meeting based on their meeting schedule and deadlines. Major scope changes also are very rarely approved by the CTC.</i>
Option D	The SBCAG board approves a finding of “No Confidence” in the Project being able to be delivered on time. <u>Total fiscal impact is \$0.</u> No additional funding for pre-construction or construction would be provided.

Below is the fiscal impact of each of the options is summarized in Table 2.

Table 2 – Summary of Fiscal Impact of Options

Options	Funding Sources and Amounts (Millions)				
	ATP	101 Reserve - Pre-Con	101 Reserve – Const. ¹	New Other – Const ¹	Total
A	\$6.03	\$0.55	\$12.00	\$0.00	\$18.6
B	\$0.00	\$0.55	\$0.00	\$18.00	\$18.6
C ²	\$6.03	\$0.55	\$6.00	\$8.00	\$20.6
D	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0

¹ Funding levels required are estimated based on current cost estimates
² Phasing the Project is estimated to increase overall costs

ATTACHMENTS:

- A. Staff Report from December 16, 2021, board meeting and attachments



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SBCAG STAFF REPORT

SUBJECT: Rincon Multi-Use Trail Project

MEETING DATE: December 16, 2021

AGENDA ITEM: 6

STAFF CONTACT: Fred Luna

RECOMMENDATION:

- A. Receive update on Rincon Trail Project and options for funding cost increases.
- B. Provide direction on various options for funding pre-construction and construction cost increases.

SUMMARY:

The Rincon Multi-Use Trail Project (Project) is a regionally significant multi-use path that will complete a gap in the California Coastal Trail. The City of Carpinteria (City) has been leading the efforts behind the Project for years. In 2016, the Project was awarded an Active Transportation Program (ATP) grant by the California Transportation Commission (CTC) for the construction phase. SBCAG was the designated recipient as the applicant for the ATP grant because the California Department of Transportation (Caltrans) was not eligible at that time to apply for ATP funds. The City, County of Santa Barbara (County), and Caltrans supported the application. Furthermore, the Rincon Trail was one of two balancing projects requested for by the City and supported by the California Coastal Commission when the Local Coastal Program Amendment (LCPA) was approved by the City in 2015. The LCPA was required because of coastal policy conflicts related to the implementation of both the Highway 101 HOV and Linden Avenue-Casitas Pass Road interchanges projects.

The Project is currently proving to be an extremely technical challenge with the objective to create a new coastal bikeway over railroad tracks along Caltrans right of way and an existing coastal bluff. The Project requires the support and, in some cases, approvals from multiple jurisdictions. The challenges of the Project have resulted in increased estimates for the Project and schedule delays. Furthermore, the City is currently revising the Project's environmental document. The Project is not able to request an increase in ATP funding since it is a competitive program that does not cover cost increases.

The City has made a request for SBCAG to consider options to fund the cost increases to complete the Project. The Project is under a strict delivery deadline with the current programmed ATP funds. All avenues to extend deadlines are exhausted since the Project has already been granted a 20-month time extension. By the end of August 2022, SBCAG must submit a request for allocation of the ATP funds or else those funds will be forfeited. To approve the funding request the CTC requires documentation that all milestones related to design, right of way, permits, have been met. That leaves eight (8) months to complete this work from today. Staff has outlined the risks associated with being able to successfully complete this delivery and options for funding additional work for pre-construction and cost increases related to construction.



DISCUSSION:

Project Status and Need

The Project is in its final stretch to try and achieve delivery under the ATP program with the deadline of August 2022. The City has made a request for the SBCAG board to consider increases in funding commitments for pre-construction and construction. SBCAG has limited options for addressing this funding need and has identified the Highway 101 reserve as the source of funding that is immediately available and does not introduce new challenges and risks to the Project.

Subregional Presentations in December

On December 6, 2021, staff provided a detailed presentation to both the North County Subregional Planning Committee (NCSPC) and the South Coast Subregional Planning Committee (SCSPC) on the Project and the request for funding. It was also an opportunity to have a dialogue and address questions regarding the challenges remaining to deliver the Project. Staff daylighted four options to each of the subregional committees. Staff has included as **Attachment B** a detailed assessment of the various risk areas based on progress over the last three months and explanations as to why several have been categorized as “High” risk. This risk assessment is also based a combination of the remaining work to be done in relation to the delivery schedule.

The subregional committees were each presented with four options for input. The same four options are included for consideration of the full SBCAG board. The options include both pre-construction and construction funding.

The City’s request for pre-construction funding of \$550,000 is comprised of \$300,000 to complete the revised Focused EIR, design and right of way support and another \$250,000 related to utility relocations, right of way easements needed for the Project. The \$550,000 would come from the Highway 101 reserve and augment previous funding contributions of \$672,000 from RSTP and \$802,000 from ATP.

Furthermore, the four options also address consideration for funding the construction phase. Possible sources in addition to the current ATP funding, include Highway 101 reserve funds or through a new ATP funding application (Cycle 6). The amount of Highway 101 reserve funds varies from \$0 to \$12.0 million depending on the option.

The Highway 101 reserve is currently being accumulated to act as a match for future state and federal funding in the remaining segments of the Highway 101 corridor. Reducing the reserve amount would potentially impact the flexibility for developing funding packages for future applications for the remaining segments of the Highway 101 corridor. Applications for the next cycle of State Senate Bill 1 competitive programs will be due in approximately one year.

The four funding options are outlined below, and the fiscal impact is summarized in Table 1. Some of the options below, such as Option B and Option D, eliminate or significantly reduce the impact to the Highway 101 reserve by deferring the funding of construction to a future ATP cycle for which the Project would need to compete for funding.

Table 1 - Fiscal Impact of Options

Options	Funding Sources and Amounts (Millions)			
	ATP	101 Reserve - Pre-Con	101 Reserve – Const. ¹	New ATP – Const ¹
A	\$6.03	\$0.55	\$12.00	\$0.00
B	\$0.00	\$0.55	\$0.00	\$18.00
C ²	\$6.03	\$0.55	\$6.00	\$8.00
D	\$0.00	\$0.00	\$0.00	\$0.00

¹ Funding levels required are estimated based on current cost estimates

² Phasing the Project is estimated to increase overall costs

Option A: The SBCAG board approves an action to support the Project and directs staff to take steps to fund pre-construction costs and construction costs to deliver the Project. Total fiscal impact \$550,000 for pre-construction and up to \$12 million for construction capital from the Highway 101 reserve.

Option B: The SBCAG board approves an action to support the Project and direct staff to take steps to fund pre-construction costs to advance Project to a state of “construction readiness” and the SBCAG board acknowledges the likely default on the current ATP construction funding. If current funding is forfeited, direct staff to work with Project partners to prepare an ATP application for the entire Project under ATP Cycle 5 beginning in June 2022. Total fiscal impact \$550,000 for pre-construction from the Highway 101 reserve. No current commitment of funding for construction capital from the Highway 101 reserve.

Option C: The SBCAG board approves an action to support the Project and direct staff to take steps to fund pre-construction costs to advance Project to a state of “construction readiness”. Work with City to phase implementation of the Project following successful approvals for environmental and coastal permitting. Total fiscal impact \$550,000 for pre-construction and up to \$6 million for construction capital from the Highway 101 reserve. Direct staff to work with Project partners to: 1) Confirm limits of Phase 1 implementation; 2) Work with CTC and Caltrans HQ on scope change; 3) Prepare an ATP application for Phase 2 of the Project under ATP Cycle 5 beginning in June 2022.

Option D: The SBCAG board approves a finding of “No Confidence” in the Project being able to be delivered on time. Total fiscal impact is \$0. No additional funding for pre-construction or construction would be provided.

Input from December 8, 2021 Subregional Meetings

Below is a bulleted list of some of the key inputs provided to staff by the board members at the subregional committee meetings.

- Direction was given to staff to provide information on how any additional funding from the Highway 101 reserve will impact delivery of the remaining segments of the Highway 101 corridor. Staff will present this information at the board meeting.
- Sentiment that a commitment has been made to deliver the Project and that the “No Confidence” option should be eliminated from consideration.
- Interest in the outcome of the City’s Planning Commission meeting on the Project CEQA Focused EIR and the Coastal Development Permit. If either is appealed or challenged would have project delivery impacts.
- Committee members expressed interest in what option the City of Carpinteria supported.
- Concern about any phasing of the Project would render an “incomplete” project with indeterminate funding timeframe for the remainder in addition to who would lead this effort.
- Concern that any additional funding would delay the 101 Project and thus delay the North County named projects under Measure A that require matching funds.

ATTACHMENTS:

- A. Roles and Responsibilities
- B. Key Deliverables and Risk Assessment

ATTACHMENT A

Roles and Responsibilities

Agency / Entity	Role	Responsibility and Approval Authority
City of Carpinteria	<ul style="list-style-type: none"> - Lead Agency for CEQA and Implementing Agency - Coastal Permit Authority 	<ul style="list-style-type: none"> - Approve and Certify Environmental Document - Approve Coastal Permit for City portion - Approve Maintenance Agreement with County - Approve contract documents for construction
County of Santa Barbara	<ul style="list-style-type: none"> - Responsible Agency for CEQA - Coastal Permit Authority 	<ul style="list-style-type: none"> - Approve Coastal Permit for County portion - Approve Maintenance Agreement with City - Approve RW Transfers
Caltrans	<ul style="list-style-type: none"> - Conditioned applicant for Project based on LCPA for Highway 101 / Linden Casitas 	<ul style="list-style-type: none"> - Approve encroachment permits prior to construction - Approve RW relinquishments - Approve funding request to CTC
SBCAG	<ul style="list-style-type: none"> - Project Sponsor as recipient of ATP Funds 	<ul style="list-style-type: none"> - Approve MOU with City for funding for project development - Approve MOU with City for construction funding
California Coastal Commission	<ul style="list-style-type: none"> - Coastal Permit Authority for any appeals at local level 	<ul style="list-style-type: none"> - Approve or deny any appeals from the local level
California Public Utilities Commission	<ul style="list-style-type: none"> - Oversight and regulatory role for new grade crossings 	<ul style="list-style-type: none"> - Approval of new grade crossing
Union Pacific Railroad	<ul style="list-style-type: none"> - Owner and Operator of railroad right of way 	<ul style="list-style-type: none"> - Approval of design for bridge overcrossing - Approval of any RW needs

ATTACHMENT B

Key Deliverables and Risk Assessment

Risk Area and Owner	Status	Schedule and Risk Assessment
Environmental	Approval of the coastal permit is anticipated at same time the environmental is to be approved in December 2021.	Any appeals on environmental would delay both CDP and environmental approval and subsequent actions by County. RISK ASSESSMENT: MEDIUM
Design	The City has directed its consultant to revise the 95% to save costs and reduce environmental impacts. Revised design will result in a few months of delay.	Changes to design will be incorporated into revised City Environmental approval by December 2021. RISK ASSESSMENT: HIGH
Coastal Permit – City	Approval of the coastal permit is anticipated at same time the environmental is to be approved in December 2021.	Any appeals on environmental would delay both CDP and environmental approval and subsequent actions by County. RISK ASSESSMENT: MEDIUM
Coastal Permit – County	Application requires re-submittal by City. Initial concept reviews held. Still need to complete application, approval of environmental by City and schedule Planning Commission hearing for project approval.	City Environmental approval by December 2021, will preclude scheduling of County PC hearing until around March 2022. Any appeals would extend approval date beyond Approve and Certify Environmental Document RISK ASSESSMENT: HIGH
Right of Way and Utilities	The Project requires two major right of way transactions. Easements are required from UPRR, and those rights still require appraisals and negotiations of value. The second component is a transfer of right of way from Caltrans to the City which requires action by the City.	Acquiring right of way from UPRR is often a lengthy process and that work has not been initiated. Value is also a huge variable. RISK ASSESSMENT: HIGH
UPRR Design and CPUC License	The Project design has been conceptually approved by UPRR. A submittal of the 65% was made in 2020 and that has been reviewed and approved to move to next step. The CPUC must reaffirm the license agreement approval but is requiring the City's update to the Project EIR in January 2022.	The final approval of design is contingent on final railing details coming out of design review boards and approvals by the CPUC are based on City certifying EIR. RISK ASSESSMENT: MEDIUM
Construction and Maintenance Agreements	Several agreements are necessary for construction and maintenance of this project A Construction and Maintenance (C&M) Agreement is required with UPRR; a maintenance agreement needs to be finalized between City and County; an encroachment permit is required from Caltrans to build improvements and a funding agreement with SBCAG.	There are several high-risk items still left in this area. The County and City have yet to agree on a maintenance agreement and this has significant lead times. The City/County agreement is necessary to present UPRR with a C&M agreement. The funding agreement with SBCAG is contingent on approval of funding to cover cost of construction. RISK ASSESSMENT: HIGH
Cost, Funding and Schedule	The Project is seeking 200% in additional funds above its programmed amount to complete construction. Furthermore, the Project has several key milestones remaining to be completed over the next several months.	The additional funding would significantly deplete the Highway 101 reserve and require additional funds be asked for in upcoming Cycle 3 applications of SB1 RISK ASSESSMENT: HIGH