



## Council Agenda Report

Item 6i

**Department:** Public Works  
**Cost Center:** 5006  
**For Agenda of:** 5/21/2024  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Matt Horn, Public Works Director  
**Prepared By:** Nathan Garcia Nava, Engineer I

**SUBJECT:** AUTHORIZATION TO ADVERTISE ROADWAY SEALING 2024  
PROJECT, SPECIFICATION NO. 2000615

### RECOMMENDATION

1. Approve the project plans and special provisions for the Roadway Sealing 2024, Specification Number 2000615; and
2. Authorize staff to advertise for bids; and
3. Authorize the City Manager to award the construction contract pursuant to Section 3.24.190 of the Municipal Code for the bid total, if the lowest responsible bid is within the publicly disclosed funding amount of \$5,400,000; and
4. Approve the transfer of \$5,131,008 from the Streets Reconstruction and Resurfacing account (2001001) to the project account (2000615); and
5. Approve the transfer of \$130,000 from the Parking Lots Maintenance account (2000031-08.01) to the project account (2000615); and
6. Approve the transfer of \$40,000 from the Parking Lots Maintenance account (2000031-08.04) to the project account (2000615); and
7. Approve the transfer of \$50,000 from the Parking Lots Maintenance account (2000031-08.05) to the project account (2000615); and
8. Approve the transfer of \$130,775 from the Pedestrian and Bicycle Pathway account (2000032-00) to the project account (2000615); and
9. Approve the transfer of \$200,000 from the Active Transportation Plan Implementation account (200608) to the project account (2000615); and
10. Appropriate \$1,060,000 in LRM funds pending approval of the 2024-2025 Supplemental Budget CIP True-up to the project account (2000615); and
11. Authorize the City Engineer to approve Contract Change Orders up to available project budget and up to any amended budget subsequently approved by the City Manager up to \$200,000.

### REPORT -IN-BRIEF

Following the City of San Luis Obispo's (City) Pavement Management Plan (PMP), staff recommends advertisement of a slurry sealing project to provide maintenance and striping improvements to the streets shown in Attachment A. Also included in this bid package are maintenance and striping plans for the Johnson Park Parking Lot, Mitchell Park Parking Lot, Damon Garcia Park Parking Lot, and the Railroad Safety Trail along California Blvd.

Pavement maintenance projects often involve complete removal and replacement of roadway striping and pavement markings, which provides excellent opportunities to incorporate planned safety and complete street improvements as part of these larger roadway maintenance efforts. The Roadway Sealing 2024 project (Project) will implement several street modifications from the recently adopted Active Transportation Plan to improve safety and mobility for all road users. These strategies include design elements intended to improve pedestrian crossing safety, increase separation between bicyclists and motor vehicle traffic, and measures to calm traffic and reduce speeds on certain streets.

This Project will be funded in Fiscal Year 2024-25. Allocated funds per the recommendations of this staff report are estimated to be sufficient for this project. The Project will be advertised during the summer and construction is slated to begin in the early fall

## **POLICY CONTEXT**

On May 17, 2022, Council approved a Purchasing Policy Update to the Financial Management Manual that required Council approval for Public Projects that cost over \$200,000.

Implementation of the project aligns directly with several City plans, policies and goals, including the application of various elements identified in the City's Active Transportation Plan aimed at promoting walking and cycling infrastructure, as well as safety improvements identified in the City's Traffic Safety Report, such as modifications to the Grand Avenue/Loomis intersection. Additionally, the project contributes to the City's major goals of Climate Action, Open Space, and Sustainable Transportation. The project also supports the ongoing maintenance of City streets as outlined in the Pavement Management Plan, ensuring safe and efficient mobility for residents while reducing the environmental impact of transportation systems.

## **DISCUSSION**

### **Background**

The Roadway Sealing 2024 (Project) is part of the Pavement Management Plan (PMP) that is an ongoing effort to provide ongoing and routine maintenance of City roadways for increased roadway life. The City's PMP, adopted in 1998, established nine pavement maintenance zones within the City, and a plan in which each of these areas received maintenance on an eight-year rotation. In 2009, City Council approved a modified PMP that provided priority for arterial streets while maintaining the eight-year rotation for maintenance work on local streets. The City implements this rotation by performing maintenance in two neighborhood Pavement Areas in one year, and then focusing on arterial street work in the second year, thereby alternating between neighborhood areas and arterials biennially to maintain the current 143 miles of roadways in the City.

### **Roadway Sealing 2024**

The Project will focus on sealing local streets in pavement management areas 8 and 1. Apart from those pavement areas, the Project also includes pavement maintenance and striping on Johnson Avenue, Broad Street, and several parking lots, including the Damon Garcia Parking lot, Johnson Park Parking lot, and Mitchell Park Parking lot. The Project is structured with a Base Bid and one Additive Alternative A to maximize the scope of work within available funding. The Project's base bid includes street sealing in Area 8 and 1, Johnson Avenue improvements and the sealing of the three parking lots included in the Project. The Project's Additive Alternative A includes work on Grand Avenue, as described further below.

The strategy is to award the contract with the Base Bid and Additive Alternative A as funding will allow, up to the Publicly Disclosed Funding amount of \$5,400,000 in compliance with Public Contract Code Section 20103.8(c). If the lowest responsive total bid is in excess of the Publicly Disclosed Funding Amount but the base bid is within the funding amount, then the base bid will be recommended for award without the additive alternative. If the total bid is in excess of the Publicly Disclosed Funding Amount, another option would be to return to Council to award both the Base Bid and Bid Alternative with an additional funding request.

### **Active Transportation Elements**

In developing the Project plans (Attachment B) and special provisions (Attachment C), staff identified several improvements recommended in the City's Active Transportation Plan (ATP) and Traffic Safety Report (TSR) that could be included in the Project, as funding resources allow. These active transportation and safety improvements are discussed in further detail below.

- **Grand Avenue**

Complete street improvements are proposed for Grand Avenue to improve active transportation facilities and safety for all road users as a pilot program that will be made permanent at a future time. These improvements are part of a Tier 2 <sup>1</sup>project identified in the ATP. The most prominent modification proposed for Grand Avenue is a five-lane to three-lane road diet between Monterey Street and just south of Slack Street. A road diet, which includes the narrowing or removal of auto lanes along a roadway where excess width or capacity exists, is a U.S. Department of Transportation proven safety countermeasure and consistently demonstrates effectiveness in reducing illegal speeding, crash frequency, and crash severity. The City has implemented several successful road diets on other streets, such as South Street and Laurel Lane, where traffic demand did not require the excess lane capacity that was previously provided. Similar to what was implemented on Johnson Avenue in 2023, improvements will be installed on Grand Avenue as a quick-build pilot project, with paint striping and temporary materials only (i.e., flex posts, rubber bumps, and traffic paint). No permanent thermoplastic striping, slurry seal, or concrete work are included.

---

<sup>1</sup> A tier Two Project is identified as a

In addition to the road diet, other active transportation and safety elements proposed for Grand Avenue include:

1. Installation of protected bike lanes where on-street parking does not currently exist using quick-build materials, such as flex posts and Zicla Zebras (rubber lane separators). This is generally limited to southbound Grand between Slack Street and US 101 where no on-street parking exists.
2. Addition of striped buffers on both sides of bike lanes where on-street parking exists.
3. Installation of bike lane crossing enhancements at intersections, including green conflict markings, additional warning signage, and setback corners where feasible.
4. Restriction of turning maneuvers (westbound through and left-turn) at the Grand Avenue/Loomis Street intersection to address ongoing broadside collision trends identified in the Traffic Safety Report.
5. Installation of an enhanced pedestrian/bicycle crossing at McCollum Street with high-visibility crosswalks and Rectangular Rapid Flashing Beacons (RRFBs) to improve crossing opportunities and access to existing SLO Transit stops.

**Figure 1** below shows the proposed cross-section of Grand Avenue between Slack Street & the US 101 Ramps, facing northbound.



**Figure 1: Grand Avenue Cross Section between Slack Street & US 101 Ramps**

Initial plans for Grand included (a) extending the road diet on southbound Grand Avenue through the Slack Street intersection, reducing the number of southbound through lanes exiting the Cal Poly Campus from two to one; (b) installing concrete curb-protected protected bicycle lanes where on-street parking does not currently exist and concrete median islands at several intersections; and (c) installing a slurry seal and thermoplastic striping on Grand Avenue.

During project development, the City received comments from Cal Poly expressing concerns about access to and from campus during special events. Traffic analysis prepared for Cal Poly's campus wide circulation study indicated that a roundabout or new signal installation is required to alleviate congestion with the initial plans. However, these major intersection improvements are outside the scope of the Pavement Management Plan. Through collaboration with Cal Poly and review of the traffic analysis, the project design was refined slightly to retain two southbound lanes exiting Cal Poly, which quickly narrow to one lane south of Slack Street. The configuration of the northbound lanes remains as originally proposed, which includes one travel lane, which widens to two travel lanes just south of the Slack Street intersection to retain capacity entering the Cal Poly campus.

Further, the improvements will be implemented as a pilot project temporary quick-build materials only. This approach will advance safety improvements in the short-term while providing additional opportunity to monitor effectiveness, refine design details, and explore sufficient funding to complete the ultimate improvements in a more permanent way in the future. At the earliest, permanent improvements on Grand Avenue could be included as part of the 2026 or 2027 pavement management projects, if funded by subsequent Financial Plans.

While the ATP ultimately plans for protected bicycle lanes on both sides of Grand Avenue, this would require removing all on-street parking to provide adequate lines-of-sight at intersections/driveways and to maintain width needed for fire access. Full removal of on-street parking would require significant public outreach, consideration for commercial deliveries/loading, and analysis of potential parking spillover.

- **Johnson Avenue**

Repaving Johnson Avenue between San Luis Drive and Laurel Lane was initially part of the 2023 Arterials Paving project. However, this segment was deferred (a) due to a conflicting utility project north of Bishop Street, and (b) to allow more time to monitor the effectiveness of the Johnson Avenue Road Diet Pilot Project installed summer 2023 between Bishop Street and Laurel Lane. Johnson Avenue north of Bishop Street remains deferred for pavement maintenance until the planned utility project is complete. Johnson Avenue between Bishop Street and Orcutt Road is now proposed for resealing as part of this year's pavement project.

The Johnson Avenue Road Diet Pilot Project included reducing the number of lanes from two in each direction (four total) to one in each direction plus a new center turn lane (three total lanes). The Pilot Project identified goals of (a) reducing driving speeds, and (b) increasing comfort and safety for all travelers. After installing the Pilot Project in 2023, prevailing speeds have decreased from 43 miles per hour (mph) to 37 mph, and less than 1% of vehicles are traveling 10 mph or more above the 35 mph speed limit (93% reduction with road diet). Two traffic collisions (one with minor injuries) were reported within the road diet limits in the four months since installation, compared to 13 collisions in the previous five years (6 injuries; 3 severe injuries). Following a successful pilot installation, the road diet between Bishop Street and Laurel Lane is proposed to be made permanent with thermoplastic pavement markings.

In addition to a permanent road diet, additional active transportation elements proposed for Johnson Avenue include:

1. Installation of a permanent concrete median refuge at the Sydney Street school crossing on both sides across the Johnson intersection.
2. Installation of traffic calming measures to reduce turning speeds, shorten pedestrian crossing exposure, and improve pedestrian visibility.

- **Project Limits – All Streets**

All streets within the Roadway Sealing 2024 project limits will incorporate elements such as the addition of high visibility “ladder style” crosswalks at all existing and proposed new marked pedestrian crosswalks, and crosswalk daylighting at as many intersections as practicable, particularly at intersections near schools, along arterial and collector streets, and areas with high pedestrian activity.

- **Pavement Area 1 (*East City Neighborhoods*)**

The project will include several features identified in the ATP within Pavement Area 1:

1. **Toro Street Neighborhood Greenway (ATP Tier 2 Project):** Greenway pavement legends, guide signage, and traffic calming measures will be installed along Toro Street between Phillips Lane and Pacific Street to encourage a low-stress, comfortable environment for those walking and biking. The existing enhanced crossing at Toro Street/Marsh Street will be modified to allow bicyclists to activate the Rectangular Rapid Flashing Beacon (RRFB) system without the need to dismount. A quick-build traffic circle will also be constructed at Toro Street/Mill Street to promote slow vehicular speeds.
2. **Mill Street Neighborhood Greenway (ATP Tier 3 Project):** Greenway pavement legends, guide signage, and speed cushions will be installed along Mill Street between Pepper Street and Grand Avenue to encourage a low-stress, comfortable environment for those walking and biking. A second portion of the Mill Street Neighborhood Greenway between Chorro Street and Pepper Street is identified in the ATP as a Tier 1 Project. This section was originally included in the Project but was deferred due to a conflicting sewer line replacement project planned for 2025.

The ATP identifies installing an on-street, two-way protected bikeway on the east side of Pepper Street parallel to the railroad tracks between Mill Street and Marsh Street as a Tier 1 project. The ATP identifies a goal to complete all Tier 1 projects by 2030 because these projects are most likely to encourage walking and biking. However, staff recommends deferring this project on Pepper Street from the Roadway Sealing 2024 project because (a) streetlighting is limited and should be improved before or along with the two-way bikeway; and (b) the segment between Mill and Palm Streets is narrower than the rest of the route, requiring either roadway widening or parking removal on both sides of the street to provide a two-way bikeway.

Public input during and after the January 2024 Community Meeting revealed a desire for traffic calming in the neighborhood north of San Luis Obispo High School, generally including San Luis Drive, Andrews Street, Cazadero Street, and Corralitos Avenue. While there was insufficient time and resources to conduct the necessary focused outreach and planning for more substantive traffic calming measures in this neighborhood, such as traffic circles or speed humps, the plans include several measures requested by community members, such as addition of stop signs (where warranted), striped corner extensions (“bulbouts”) to slow speeds and reduce pedestrian crossing distances, and high-visibility bike route markings.

- **Pavement Area 7 (Northwest of Downtown)**

Resurfacing sections of Broad Street, Chorro Street, and Murray Avenue was initially part of the 2022 Roadway Sealing project. However, these facilities were deferred due to conflicts with construction of a new sewer main and the North Chorro Neighborhood Greenway. The Roadway Sealing 2024 project includes installing a new northbound bicycle lane on Chorro Street between Mission Street and Meinecke Avenue. The ATP identifies this as a Tier 2 project.

- **Pavement Area 8 (University Neighborhoods)**

The ATP has identified one project within Pavement Area 8 that will be implemented as part of the Roadway Sealing 2024 project. Along Highland Drive, the project will install an eastbound bike lane on a short stretch just west of Ferrini Road where the roadway climbs a steep grade. The ATP identifies this as a Tier 2 project.

### **Neighborhood Traffic Management Requests**

Various Neighborhood Traffic Management (NTM) requests have been received from residents for streets included in the Project at the following locations:

1. **Highland Drive** between Patricia Drive and Santa Rosa Street
2. **Patricia Drive** between Twin Ridge Drive and Highland Drive
3. **Jeffrey Drive** between Highland Drive and Westmont Avenue
4. **Rancho Drive** between Westmont Avenue and Rancho Drive cul-de-sac
5. **Westmont Avenue** between Patricia Drive and Jeffrey Drive
6. **Broad Street** between Mission and Lincoln Streets

City staff collected speed and traffic volume data on these neighborhood streets to evaluate if traffic calming measures are warranted based the Circulation Element’s adopted volume/speed thresholds. For Highland Drive, Patricia Drive, Jeffery Drive, Westmont Avenue, and Broad Street that met volume/speed thresholds<sup>2</sup>, staff mailed out ballots to adjacent properties to inform residents and gauge support for proposed measures. Typical elements included with NTM projects include speed humps, speed

---

<sup>2</sup> Volume/speed thresholds are set based on street classification as identified in the City’s Circulation Element. For Local Residential Streets, traffic calming is warranted when daily traffic volume over 1,800 vehicles and/or prevailing speed is more than 27.5 miles per hour. For Residential Collectors, traffic calming is warranted when daily traffic volume is over 3,600 vehicles and/or prevailing speed is more than 27.5 miles per hour. Based on 2024 traffic data, all streets except Rancho Drive met traffic calming warrants based on prevailing speeds. Rancho Drive had neither excessive prevailing speeds or excessive traffic volumes and was removed from the NTM queue.

tables, traffic circles, and traffic diverters. Staff did not receive a sufficient number of responses or clear majority support from neighboring residents/property owners to justify installation of traffic calming elements as part of the paving project at this time. The current NTM Guidelines require a response rate of 51% and support rate of 67% to proceed with traffic calming and staff was unable to meet those requirements. All streets with NTM requests where adopted volume/speed thresholds were met (i.e. all streets but Rancho Drive) will remain in the NTM queue for further consideration and community input at a future date. The City is currently able to address one to two NTM requests per year and has a queue of approximately 15 requests.

Table 1 below shows the speed and traffic volume data collected along with the results of the NTM ballots.

**Table 1: Neighborhood Traffic Management Data & Ballot Results**

Street	85 <sup>th</sup> Percentile Speed* (MPH)	Traffic Volume* (vehicles)	Ballots Sent	Ballots Received	Ballots in Favor of NTM
Highland Drive	<u>32</u>	N/A	236	9	5
Patricia Drive	<u>30</u>	N/A	116	9	4
Jeffrey Drive	<u>30</u>	938	41	2	1
Rancho Drive	26	370	<i>Does not meet warrants for traffic calming</i>		
Westmont Avenue	<u>29</u>	522	68	11	6
Broad Street	<u>31</u>	N/A	97	8	5

\*Note: Underlined values meet adopted thresholds, and *italicized* values do not meet adopted thresholds.

### **Previous Council or Advisory Body Action**

In June 2023 City Council adopted the 2023-25 Financial plan that included the approval of the project along with allocating funds during the 2024-25 Fiscal Year.

The project was presented to the City's Active Transportation Committee (ATC) three times during project development: in fall 2023 to provide input on preliminary scope of improvements; in February 2024 to review 90% design drawings; and again in April 2024 to provide final input on Grand Avenue designs. The ATC provided helpful input to guide design refinements, with the following primary themes:

- Explore opportunities to improve pedestrian/bicycle crossing comfort and safety at the Johnson/Southwood intersection.
- Retain a full road diet (one lane in each direction) on Grand Avenue between Slack and Monterey Streets and continue to coordinate with SLO Fire to explore opportunities for further street narrowing as feasible to further encourage safe speeds.



- Explore opportunities for centerline hardening (placing flexible objects along side-street centerlines) to encourage safer auto left-turning speeds.
- Increase daylighting (restricting parking and adding flex posts) at intersection approaches to improve sight lines for pedestrians and bicycles.
- Increase protected bike lane widths where possible to allow for safe passing and side-by-side riding.

Ultimately, staff was able to incorporate many of these suggestions into the final plans. The remaining substantive recommendations from the ATC that are not reflected in the final plans are:

- The plans for Grand Avenue retain 20' clear width between fixed objects along the full corridor, as requested by SLO Fire for efficient emergency response. Staff will continue to discuss with SLO Fire to explore opportunities to test "pinch points" along the route, where additional mountable features could be placed within the 20' clear area to further narrow the roadway and reduce vehicle speeds.
- The ATC recommended retaining one southbound lane on Grand exiting the Cal Poly campus, suggesting that Cal Poly invest in more substantial temporary traffic control strategies to manage egress traffic during their regular special events. Cal Poly expressed significant concern regarding this recommendation, as this would cause the intersection to fail operationally for the 40-50 regular special events scheduled throughout the year. The final plans retain two lanes exiting the campus, which quickly narrow to one lane south of Slack Street, but have added a wide protected bike lane exiting campus to reduce pedestrian crossing exposure and slow turning speeds.

### **Public Engagement**

In addition to the multiple presentations to the ATC, public engagement was conducted through a community workshop at the City/County Library Community Room on January 11, 2024, and through a project website, which provided information on the project and community input opportunities throughout project development.

### **CONCURRENCE**

This project has been reviewed and has concurrence from the Public Works Department, the Fire Department, and the Community Development Department.

### **ENVIRONMENTAL REVIEW**

The Project qualifies for an Exemption to the California Environmental Quality Act pursuant to State CEQA Guidelines Sections 15301(Existing Facilities) because the Project consists of the repair and maintenance of existing roadways, and minimally disruptive surface improvements within an existing built urban environment (pavement markings sign posts, etc.). A Notice of Exemption will be filed through the Community Development Department upon Council approval of the project.

**FISCAL IMPACT**

Budgeted: Yes  
Funding Identified: Yes

Budget Year: 2024-25

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$3,908,000	\$3,908,000	\$0	N/A
State	\$0	\$0	\$0	N/A
Federal	\$0	\$0	\$0	N/A
Fees	\$0	\$0	\$0	N/A
Other: SB1 Fund:	\$1,092,000	\$1,092,000	\$0	N/A
Capital Outlay Fund LRM – Damon Garcia (2000031-08.01)	\$130,000	\$130,000	\$0	N/A
Capital Outlay Fund LRM – Mitchell Park (2000031-08.04)	\$45,000	\$45,000	\$0	N/A
Capital Outlay Fund LRM – Johnson Park (2000031-08.05)	\$50,000	\$50,000	\$0	N/A
Capital Outlay Fund LRM – Roadway Safety Trail (2000032)	\$130,755	\$130,755	\$0	N/A
Capital Outlay Fund LRM – Active Transportation Plan (2000608-03)	\$200,000	\$200,000	\$0	N/A
Supplemental Budget Allocation*: Capital Outlay Fund LRM	\$0	\$1,060,000	\$0	N/A
<b>Total</b>	<b>\$ 5,550,775</b>	<b>\$1,060,000</b>	<b>\$0</b>	<b>N/A</b>

\*FY 24-25 Supplemental Budget has yet to be approved. Project funding pending budget approval. See fiscal impact section.

<b>Fiscal Impact Summary</b> <b>Roadway Sealing 2024 Specification No. 2000615</b>							
	Roadway Sealing 2024 (2000615)	Active Transportation Plan Implementation (2000608-03)	Parking Lot Maintenance (2000031-08.01) Damon	Parking Lot Maintenance (2000031-08.04) Mitchell	Parking Lot Maintenance (2000031-08.05) Johnson	Railroad Safety Trail (2000032)	Project Total Costs
	Capital Outlay Fund - LRM/SB1	Capital Outlay Fund - LRM	Capital Outlay Fund - LRM	Capital Outlay Fund - LRM	Capital Outlay Fund - LRM	Capital Outlay Fund - LRM	
Base Bid	\$4,741,000	\$200,000	\$86,000	\$17,000	\$23,000	\$33,000	\$5,100,000
Additive Alternative A	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
Contingency (17%)	\$873,000	\$0	\$14,000	\$3,000	\$4,000	\$6,000	\$900,000
<b>Total Construction Estimate</b>	\$5,914,000	\$200,000	\$100,000	\$20,000	\$27,000	\$39,000	\$6,300,000
Construction Management:	\$160,225	\$0	\$30,000	\$25,000	\$23,000	\$91,775	\$330,000
Communication Consultant	\$87,411	\$0	\$0	\$0	\$0	\$0	\$87,411
Material Testing	\$27,500	\$0	\$0	\$0	\$0	\$0	\$27,500
Printing Plans	\$500	\$0	\$0	\$0	\$0	\$0	\$500
<b>Total Project Cost</b>	\$6,191,008	\$200,000	\$130,000	\$45,000	\$50,000	\$130,775	\$6,746,783
Total Available Account Balance	\$0	\$0	\$0	\$10,000	\$0	\$130,775	\$140,775
Allocated Funding FY 24-25:	\$5,131,008	\$200,000	\$130,000	\$35,000	\$50,000	\$0	\$5,546,008
Additional Supplemental Budget Request	\$1,060,000	\$0	\$0	\$0	\$0	\$0	\$1,060,000
Total Project Balance	\$6,191,008	\$200,000	\$130,000	\$45,000	\$50,000	\$130,775	\$6,746,783
<b>Post Project Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	----

The Project will be awarded after July 1, 2024, when the funding allocation shown in the 2023-25 Financial Plan will be available to support the construction cost. The project is expected to receive \$5,131,008 from the Street Reconstruction & Resurfacing project account (2001001-03). The \$5,131,008 is split between two funding sources: Local Revenue Measure funding will provide \$3,908,000 and SB1 will provide the remaining \$1,223,008.

Staff created a new project account for tracking and accounting purposes which will incorporate all elements of the project funding. The Project has multiple funding sources in various project accounts that would lead to having to pull funds from various accounts. Creating a new project account allows for the opportunity to transfer all the funding to a

single account. The new Project account is 2000615 and the funding allocated from the Street Reconstruction & Resurfacing account (2001001-03) will be transferred to the project account (2000615).

In addition to the funds expected from the Streets Reconstruction & Resurfacing account, there is also an additional allocation on July 1, 2024 of \$200,000 to the Active Transportation Plan account (2000608-03) for elements from the ATP that have been included in the Project. Staff is recommending transferring the \$200,000 to the project account.

Staff is recommending transferring funding from the Parking Lot Maintenance Account (2000031) to cover the cost of improvements made to the various parking lots included in the Project. The Damon Garcia Parking Lot project account (2000031-08.01) will be allocated \$130,000 on July 1, 2024. The Mitchell Park Parking Lot improvements project account (2000031-8.04) has a current balance of \$10,000 and will be allocated \$35,000 on July 1, 2024. The Johnson Park Parking Lot project account (2000031-08.05) will be allocated \$50,000 on July 1, 2024. Staff is recommending transferring all available budget out of these three tasks to support the Roadway Sealing 2024 project budget.

The cost for improvements made to the section of the Railroad Safety Trail included in the Project will be covered by the Pedestrian and Bicycle Pathway project account (2000032). Staff is recommending the current account balance of \$130,755 be transferred to the Project account (2000615) for construction.

Upon allocation of the 2024-25 fiscal year budget, the Project will have an available balance of \$5,550,775 from all funding sources to expend on construction. The estimated total project cost is \$6,610,775. Therefore, an additional \$1,060,000 is required to fund the total project cost.

Staff is currently in the process of finalizing the 2024-2025 Supplemental Budget, which is scheduled for presentation to City Council on June 4th, 2024. A preview of the recommendations included in the Supplemental Budget was presented to Council on May 7th. One of the recommendations is to allocate additional funding to the Roadway Sealing 2024 project as part of the Capital Improvement Program (CIP) True-up process. This process considers projects with urgent funding requirements due to cost escalations and proposes allocating funding from projects not slated for construction before July 2025. By following this approach, staff can ensure that projects like the Roadway Sealing 2024 project receive sufficient funding for construction without tying up funds in accounts that will not be utilized during the current financial plan.

Staff is proposing an additional allocation of \$1,060,000 from Local Revenue Measure funds to support both the base bid and bid alternative for Grand Avenue, contingent upon favorable bid outcomes. Should Council approve this recommendation, these additional funds would be available to the Project on July 1, 2024.

If Council does not approve the recommendation to allocate \$1,060,000 in LRM funds to the project during the Supplemental Budget at the June 4th Council Meeting, it will necessitate a re-evaluation of the project's funding strategy. Alternatively, staff could refrain from awarding the bid alternative and only proceeding with the base bid if bids fall within the project budget. However, if bids do not align with the budget or if deemed necessary, the second option would be to reject all bids and seek an alternative funding source. This would require staff to return to Council for further direction and guidance on how to proceed effectively with the project.

## ALTERNATIVES

1. ***Deny the approval to advertise the project.*** City Council could choose to deny the authorization to advertise this project. Staff does not recommend this alternative as the Project is part of the City Pavement Management Plan and maintenance needs to be completed on the City streets identified in the Project.
2. ***Award the Base Bid and proceed without awarding the Bid Alternate.*** City Council could choose to award the Base bid if it falls within project budget and proceed without awarding the Bid alternate. Staff does not recommend this option as the Bid alternative contains ATP elements that have been reviewed and discussed with the public for approval.

## ATTACHMENTS

- A - 2000615 Roadway Sealing 2024 Vicinity Map
- B - 2000615 Roadway Sealing 2024 Plans
- C - 2000615 Roadway Sealing 2024 Special Provision