



City of Chula Vista

Staff Report

File#: 16-0358, **Item#:** 6.

RESOLUTION NO. 2016-168 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING CONSTRUCTION CHANGE ORDERS FOR SLF IV-MILLENNIA, LLC FOR THE CONSTRUCTION OF TRAFFIC SIGNAL IMPROVEMENTS IN THE MILLENNIA PROJECT AND PROVIDING TRANSPORTATION DEVELOPMENT IMPACT FEE AND TRAFFIC SIGNAL FEE CREDIT FOR ELIGIBLE EXPENSES

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

SLF IV-Millenia, LLC, the owners of the Millenia project have constructed a number of traffic signals and portions of future traffic signals within the Millenia project, and will construct other signals and portions of signals as part of the remaining phases of development in the project. The resolution reimburses the developer by providing development fee credit for eligible traffic signal work and appurtenances. The credit will be through the City's Transportation Development Impact Fee (TDIF) Program and the City's Traffic Signal Impact Fee Program.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Notwithstanding the foregoing, the activity was adequately covered in previously adopted/certified Final Second Tier Environmental Impact Report, EIR 07-01 for Otay Ranch Eastern Urban Center (EUC) Sectional Planning Area (SPA) Plan.

Environmental Determination

The proposed activity has been reviewed for compliance with the California Environmental Quality Act (CEQA) and it has been determined that the activity is not a "Project" as defined under Section 15378 of the state CEQA Guidelines because it involves a continuing administrative activity, which will not result in a potentially significant effect on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Notwithstanding the foregoing, it has also been determined that the construction of the traffic signals and conduits in the Millenia development was adequately covered in previously adopted/certified Final Second Tier Environmental Impact Report, EIR 07-01 for Otay Ranch Eastern Urban Center (EUC) Sectional Planning Area (SPA) Plan. Thus, no further environmental review is required.

BOARD/COMMISSION RECOMMENDATION

N/A

DISCUSSION

SLF IV-Millenia, LLC, the owners of the Millenia project have constructed a number of traffic signals and portions of future traffic signals within the Millenia project and are requesting reimbursement for their expenses related to this work. The developer will construct other signals and portions of signals as part of the remaining phases of development in the project. Some of these signals are required to manage the vehicular traffic expected on Millennia's street system and the bordering arterial streets of Birch Road and Eastlake Parkway. There are other traffic signals which are serving a primary role for signal preemption and priority for SANDAG's Bus Rapid Transit (BRT) line. Some appurtenances of the signals, foundations for signal standards, electrical & communication conduits, pull-boxes, etc., are constructed before the signals are made fully operational as part of the initial street construction in order to avoid having to trench and damage the streets when the developer, SANDAG and/or the City completes the signals in the near future. The developer has provided a table and map of the project area with each signalized intersection identified by reference number (Attachment # 1).

In accordance with the Chula Vista TDIF Program, traffic signals on major roadways identified within the TDIF program, are eligible for TDIF credit once the City has audited the expenses. If the signal is not on a TDIF roadway, eligible expenses for signals that meet Traffic Warrants can be credited through the Traffic Signal Impact Fee Program. The developer has submitted a list of several locations whereby credit will be through a combination of one or both of these impact fee programs.

As part of the implementation of the City's TDIF and Traffic Signal Impact Fee Programs, staff evaluates reimbursement requests from developers in the City to ensure that all costs are qualifying costs under the City's respective fee programs. The developers of the Millenia project have requested reimbursement for the following facilities:

1. Work done by a change order in the amount of \$278,801.69 for traffic signals at the intersection of Eastlake Parkway/Stylus Street (location #9) and at Eastlake Parkway/BRT Guideway (location #13).
2. Work done by a change order in the amount of \$91,468 for BRT required traffic signal conduits at the two intersections of Orion Avenue/Northerly Driveway (location #10) and at the BRT Guideway/Solstice Street (location # 11), and appurtenances placed for the future regional BRT line signals.

Request 1. Eastlake Parkway: at Stylus Street (#9) and at BRT Guideway (#13)

This request is for reimbursement of three signal standards and mast arms installed in and around the intersection of Stylus Street and the BRT Guideway. In addition to providing controls for pedestrian crossings of Stylus Street and the BRT Guideway, the signal standard poles and mast arms also are intended to provide traffic control for the BRT service. The expenses related to the BRT Guideway are not TDIF eligible and will be reimbursed through the Traffic Signal Impact Fee Program. Per the TDIF policy, since half of the intersection approaches are on a TDIF facility (Eastlake Parkway), the reimbursement of eligible expenses will be split 50% TDIF and 50% Traffic Signal Fee Program.

Attachment 2 shows a quoted Change Order price of \$201,000 (item 6) for installation of the signal at

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Eastlake Parkway/Stylus Street (location #9). Additionally, the same attachment includes two additional Change Order items, 4(\$45,000) and 5(\$21,000) for undergrounding conduit to cross the BRT guideway, and, foundation work. This work also included communications conduits for the City and MTS. The total construction cost submitted is \$267,826.69 which includes an additional change order of \$826.69 for additional signal equipment. The related engineering costs are \$10,975.00. The total reimbursement sought for Request 1 is \$278,801.69.

The City's policies for reimbursement require that all projects be competitively bid and that any project with a change order exceeding \$50,000 be brought to the City Council for approval. Reimbursement Request 1 is a change order which was added by the developer to an existing, competitively bid, Millenia signal installation contract. The signal modification at the intersection of Eastlake Parkway/Stylus Street (location #9) is also in very close proximity to the signal with the BRT Guideway (location #13) and as such, both signalized locations are operating as one larger intersection with additional signal equipment necessary for the two locations.

The developer submitted expenses for reimbursement totaling \$278,801.69. After careful review, staff determined a cost of \$206,975 to be consistent with other similarly configured signals in Millenia. Based upon this comparison, staff recommends reimbursement for the construction costs of the traffic signal at Eastlake Parkway/Stylus Street in the amount of \$206,975.

The appropriate allocation for this reimbursement is \$103,487 in TDIF credit, and \$103,488 in Traffic Signal Fee credit, for a total reimbursement in the amount of \$206,975.

Request 2. Bus Rapid Transit corridor signals at: Orion Avenue/North Driveway (#10) and Solstice Street (#11)

As part of the construction of the planned streets in Millenia, the developers are required, pursuant to a specific mitigation measure in the project EIR, to place communication conduits along the corridor, not just at intersections. Mitigation Measure 4.3-15 (Attachment # 3) is intended to facilitate the future construction of BRT corridor traffic signals by SANDAG as well as providing communication conduit for the City.

It is in the public's best interest to have the conduit installed with the initial street infrastructure now in order to prevent future street trenching and disruption when BRT service is initiated. The conduit will be owned by the City and available for the City's use, which could include placing infrastructure needed to support the Smart Cities Initiative and signal systems communications. Additionally, the City can pursue an agreement with SANDAG/MTS for their use of the conduits when they complete the BRT signal construction.

The developer is requesting reimbursement for conduit installation at two signalized intersections needed for the BRT service (Attachment #4). The request includes \$53,243 for intersection #10 and \$38,225 for intersection #11, for a total reimbursement request of \$91,468. The above totals include engineering, administration and construction costs for the conduit installations as identified in Attachment #5. Since the mitigation measure only required conduit installation, no additional reimbursement requests will be accepted for these two intersections as the remaining work will be completed and funded by SANDAG in their BRT projects.

Staff recommends approving the requested reimbursement of \$91,468.00 from the Traffic Signal

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Impact Fee Program.

The following table summarizes the developer's reimbursement requests and staff's recommendations.

Qualifying Facility	Developer Request	Allocation		Staff Recommendation
Traffic Signals at Eastlake Parkway/Stylus Street (#9)	\$278,801.69	TDIF	50%	\$103,487 TD \$103,488 TS \$206,975 To
		TS fee	50%	
BRT corridor/Orion Ave (#10) Signal Conduits	\$53,243.00	TDIF	0%	N/A \$53,243
		TS fee	100%	
BRT corridor/Solstice Ave (#11) Signal Conduits	\$38,225.00	TDIF	0%	N/A \$38,225
		TS fee	100%	
Totals	\$370,269.69			\$298,443

All reimbursements will be made via the issuance of Transportation Development Impact Fee (TDIF) and/or Traffic Signal Impact Fee credits only. The developer may transfer credits to merchant builders within the Millenia project. No cash payments will be made to the developer from the fee programs.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov't Code §87100, *et seq.*).

Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This item links to the citywide goals of Economic Vitality since it promotes and supports development of quality master planned communities and promotes an environment for residents and businesses to prosper.

CURRENT YEAR FISCAL IMPACT

All initial costs for the installation of traffic signal equipment and appurtenances have been borne by

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the developer. On-going maintenance costs are included as part of the annual Public Works Operations operating budget for the maintenance of signals.

ONGOING FISCAL IMPACT

Nominal traffic signal, electrical, maintenance and operations costs in Public Works Department budget

ATTACHMENTS

Attachment 1 - Millenia Traffic Signal Plat & Traffic Signal Table (2-pages)

Attachment 2 - Select Electric Bid for BRT Guideway at Solstice & Eastlake/Stylus

Attachment 3 - Mitigation Monitoring Reporting Program dated Sept. 2009 (excerpt)

Attachment 4 - Millenia Traffic Signal Reimbursement Request Table

Attachment 5 - Millenia Traffic Signal Summary (per City audit) dated July 12, 2016

Staff Contact: Francisco X. Rivera, Principal Civil Engineer

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