



RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENTS TO THE MEMORANDUMS OF AGREEMENT WITH TREASURE ISLAND DEVELOPMENT AUTHORITY FOR BOTH THE RIGHT-OF-WAY PHASE AND CONSTRUCTION PHASE RELATED TO THE SOUTHGATE ROAD REALIGNMENT IMPROVEMENT PROJECT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND MODIFY AGREEMENT PAYMENT TERMS AND NON-MATERIAL TERMS AND CONDITIONS

WHEREAS, The Transportation Authority is working jointly with the Treasure Island Development Authority (TIDA) and the Office of Economic and Workforce Development on the development of the I-80/YBI Interchange Improvement Project, which includes the YBI Southgate Road Realignment Improvements Project (Project); and

WHEREAS, Through Resolution 19-49, the Board authorized the Executive Director to execute various agreements for the Project, including license agreements with the U.S. Coast Guard and amendments to the right-of-way and construction Memorandums of Agreement (MOAs) with TIDA, and through Resolution 19-59, to execute additional agreements for utilities and right-of-way acquisition to prepare the Project for construction, including authorizing the Transportation Authority to purchase the property from the United States Coast Guard and subsequently transfer the property to TIDA, so that construction activities could continue as scheduled and for continued use of Vista Point; and

WHEREAS, Now that the Transportation Authority is awarding the construction contract for the Project, it is necessary to amend the MOAs between the Transportation Authority and TIDA for the Right of Way Phase and Construction Phase to reflect the current project delivery approach, scope, schedule and cost; and

WHEREAS, Amendment No. 2 for the Right-of-Way Phase would provide for TIDA to directly take ownership of certain property being acquired from the United States Coast Guard rather than having the Transportation Authority initially take title to the property on behalf of TIDA and subsequently transfer the property to TIDA and a small portion to the California Department of Transportation, and would also extend the term to December 31, 2022; and



WHEREAS, Amendment No. 2 for the Construction Phase MOA would amend the terms of the agreement to increase the cost of the construction phase to \$47.7 million for the Project, to update and include additional funding sources for the Project, and to extend the term to December 31, 2022; and

WHEREAS, The construction contract, the subject Construction Phase MOA, and the related items will be funded with federal Highway Bridge Program, State Prop 1B , Bay Area Toll Authority, State Affordable Housing and Sustainable Communities grant funds allocated to TIDA for the bicycle and pedestrian path component of the project, other TIDA funds specifically designated for the Project, and federal Advanced Transportation Congestion and Mitigation Technologies Deployment grant; and

WHEREAS, Any costs not reimbursed by the various grant funds will be reimbursed by TIDA; and

RESOLVED, That the Transportation Authority hereby authorizes the Executive Director to execute amendments to the MOAs with TIDA for both the Right-of-Way Phase and the Construction Phase related to the Southgate Road Realignment Improvement Project; and be it further

RESOLVED, That the Executive Director is authorized to modify agreement payment terms and non-material terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, "non-material" shall mean agreement terms and conditions other than provisions related to the overall agreement amount, terms of payment, and general scope of services; and be it further

RESOLVED, That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.



## Memorandum

### AGENDA ITEM 16

**DATE:** March 31, 2020

**TO:** Transportation Authority Board

**FROM:** Eric Cordoba - Deputy Director for Capital Projects

**SUBJECT:** 04/14/20 Board Meeting: Authorize the Executive Director to Execute Amendments to the Memorandums of Agreement with Treasure Island Development Authority for Both the Right-of-Way Phase and Construction Phase Related to the Southgate Road Realignment Improvement Project

#### **RECOMMENDATION** ☐ Information ☒ Action

- Authorize the Executive Director to execute amendments to the Memorandums of Agreement (MOAs) with Treasure Island Redevelopment Authority (TIDA) for both the Right-of-Way Phase and Construction Phase related to the Southgate Road Realignment Improvement Project
- Authorize the Executive Director to negotiate and modify agreement payment terms and non-material terms and conditions

#### **SUMMARY**

We are working jointly with TIDA and the Office of Economic and Workforce Development (OEWD) on the development of the I-80/YBI Interchange Improvement Project. One of the elements of the overall project is the YBI Southgate Road Realignment Improvements Project (Project). We entered into MOAs with TIDA for the Right of Way and Construction Phases for the I-80/YBI Interchange Improvement Project. Based on recent developments related to the Right of Way and Construction Phases for the Project, both MOAs need to be revised. The former is proposed to be modified so that the Transportation Authority will no longer purchase property on behalf of TIDA. The Construction Phase MOA needs to be modified to increase the cost of the construction phase from \$33.5 million to \$47.7 million for the Project, to update and include additional funding sources for the Project. Both MOAs need to extend the term to December 31, 2022.

- ☐ Fund Allocation
- ☐ Fund Programming
- ☐ Policy/Legislation
- ☐ Plan/Study
- ☒ Capital Project Oversight/Delivery
- ☐ Budget/Finance
- ☒ Contract/Agreement
- ☐ Other: \_\_\_\_\_



## **BACKGROUND**

At its March 19, 2019 meeting, through Resolution 19-49, the Board authorized the Executive Director to execute various agreements for the Project, including license agreements with the U.S. Coast Guard and amendments to the right-of-way and construction MOAs with TIDA. The amendment to the right-of-way MOA included an amount not to exceed \$5,534,760 for right-of-way property acquisition.

At its June 11, 2019 meeting, through Resolution 19-59, the Board authorized the Executive Director to execute additional agreements for utilities and right-of-way acquisition to prepare the Project for construction, including authorizing our agency to purchase the property from the U.S. Coast Guard, in lieu of TIDA purchasing the property directly, so that construction activities could continue as currently scheduled and for continued use of Vista Point. We intended to subsequently transfer the majority of the property to TIDA as soon as practicable and the remainder to Caltrans after construction is complete.

## **DISCUSSION**

The MOAs between the Transportation Authority and TIDA for the Right of Way Phase and Construction Phase need to be revised. Each amendment is briefly discussed below.

TIDA MOA Amendment No. 2 for the Right-of-Way Phase: We entered into a MOA with TIDA for the Right of Way Phase in April 2012 and Amendment No. 1 in June 2019. This MOA establishes each party's role and responsibilities as well as the terms and conditions of TIDA repayments to us for all costs we incurred on the Right of Way Phase for the YBI Ramps Improvement Project. The proposed Amendment No. 2 would provide for TIDA to directly take ownership of certain property being acquired from the United States Coast Guard rather than having our agency initially take title to the property on behalf of TIDA. We negotiated this change at Chair Peskin's request to reduce potential risk to the Transportation Authority. The proposed amendment would also extend the term to December 31, 2022.

TIDA MOA Amendment No. 2 for the Construction Phase: We entered into an MOA with TIDA for the Construction Phase in August 2013 and Amendment No. 1 in June 2019. This MOA establishes each party's role and responsibilities as well as the terms and conditions of TIDA repayments to us for all costs we incurred on the Construction Phase for the YBI Ramps Improvement Project. The proposed Amendment No. 2 would amend the terms of the Agreement to increase the cost of the construction phase from \$33.5 million to \$47.7 million for the Project, to update and include additional funding sources for the Project, and to extend the term to December 31, 2022.

Over the past 2 years, the Project has been going through the final design phase. As the Project design progressed, it was determined that the Project was significantly more complex than originally anticipated. The estimated construction cost has increased from the initial estimated \$33.5 million total project cost to \$47.7 million and the construction schedule



duration has increased from an estimated 12-15 months to an estimated 24-26 months. Major design changes and corresponding construction cost increases resulted from the following:

- Project geometrics changed to a braided ramp configuration such that the I-80 East Bay off-ramp was braided with Hillcrest Road in order to eliminate the queue spillback onto I-80;
- Construction costs increased due to increased project complexity, given the change in project geometrics in combination with the challenging topography, resulting in additional retaining walls;
- Construction costs increased due to increased number, height and complexity of retaining walls and increased unit prices reflecting the anticipated tight-market bidding climate and constrained site conditions;
- Construction costs increased due to changes in retaining wall types adjacent to the San Francisco-Oakland Bay Bridge to minimize risk of running into old piles, waste concrete, etc. left from prior bridge construction efforts.

**Schedule.** The Project schedule is projected as follows:

- Award Construction Contract - April 2020
- Begin Construction - May 2020
- Construction Completion - Summer 2022

**Funding.** The construction contract and the related items described in the prior section will be funded with federal Highway Bridge Program (HBP), State Prop 1B (Prop 1B), Bay Area Toll Authority (BATA), State Affordable Housing and Sustainable Communities (AHSC) grant funds allocated to TIDA for the bicycle and pedestrian path component of the project, other TIDA funds specifically designated for the Project, and federal Advanced Transportation Congestion and Mitigation Technologies Deployment (ATCMTD) grant all as shown in the below table. Please note that the "Additional BATA" funds shown in this table represent funds that were allocated to the project at the BATA Oversight Committee meeting on March 11, 2020, although the required funding agreement amendment has yet to be executed. Any costs not reimbursed by HBP, Prop 1B, and BATA funds will be reimbursed by TIDA.



**Project Funding Plan**

Phase	Federal Highway Bridge Program	State Prop 1B	TIDA (AHSC Grant)	TIDA	Federal ATCMTD	BATA	Additional BATA	Total
Preliminary Engineering						\$ 10,104,114	\$ 1,500,000	\$ 11,604,114
Right-of-Way Capital	\$ 3,629,730	\$ 114,700		\$ 371,400		\$ 355,570		\$ 4,471,400
Construction Support	\$ 3,934,288	\$ 75,702	\$ 350,000			\$ 674,181	\$ 1,994,294	\$ 7,028,465
Construction	\$ 24,956,131	\$ 2,084,213	\$ 2,050,000	\$ 2,578,600	\$ 1,350,000	\$ 3,400,520	\$ 4,226,406	\$ 40,645,870
Totals	\$32,520,149	\$2,274,615	\$2,400,000	\$2,950,000	\$1,350,000	\$14,534,385	\$7,720,700	\$63,749,849

**FINANCIAL IMPACT**

Right of way and construction activities for the Project will be funded by the various funding sources discussed above. The first year's activities are included in the adopted Fiscal Year 2019/20 budget amendment, and sufficient funds will be included in future budgets to cover the remaining cost of the MOA with TIDA for the construction phase.

**CAC POSITION**

None. The March 25 CAC meeting was cancelled in light of the local health emergency related to the COVID-19 pandemic.

**SUPPLEMENTAL MATERIALS**

None.