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DATE: January 20, 2009
TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Update on Route 238 Corridor Improvement Project

RECOMMENDATION

That Council review and comment on this report.

SUMMARY

In response to Council's request, staff will provide an update on the Route 238 Corridor Improvement Project. The following report provides a status of the work done on the design and right-of-way acquisition phase of the project.

BACKGROUND

On November 27, 2007, Council approved the Route 238 Corridor Improvement Project and certified the Final Environmental Impact Report (FEIR). The Project approved by Council is located along Foothill Boulevard and Mission Boulevard between the northern city limits and Industrial Parkway in the south. It includes a downtown one-way loop street system, peak hour travel lanes on Foothill Boulevard north of A Street and on Mission Boulevard from Foothill to Palisade Street, other roadway improvements along Foothill Boulevard and Mission Boulevard, and improvements at major intersections such as Foothill-Mission-Jackson and Mission Boulevard-Carlos Bee Boulevard. In addition, the Project includes pedestrian and bicycle improvements, and landscaping enhancements along the entire Route 238 Corridor. The Alameda County Transportation Authority (ACTA) subsequently approved an allocation of \$38.4 million of Measure B funds for the design and right-of-way acquisition phases of the project. It should be noted that because this project is funded with on-hand Measure B dollars, it is not affected by the ongoing state budget crisis, which has started to delay other major state-funded projects. On May 6, 2008, Council authorized the City Manager to approve an agreement with Mark Thomas and Company for these phases. Work on both of these phases is proceeding, and a status of this work is discussed below.

DISCUSSION

The design and right-of-way acquisition phase of the project is currently on schedule and proceeding within its original budget.

Design-

Consultants have submitted the preliminary (35 percent complete) plans and an updated cost estimate for the project; staff is currently reviewing these documents. While the design documents continue to be refined, no significant issues have arisen that would necessitate a revision to the plans included in the Final Environmental Impact Report (FEIR). Completion of staff's review of the 35 percent design document is expected by mid-January.

Additionally, the consultant team has completed preliminary landscape concepts for the gateway park and medians and the preliminary lighting concepts; and has conducted coordination meetings with the Regional Water Quality Control Board and utility company staff. They are also reviewing traffic signal synchronization along the Route 238 Corridor and investigating traffic signal management alternatives, including an adaptive timing system and an extension of the fiber optic network for implementation as part of the project.

As part of our agreement with the Alameda County Transportation Authority, the City also agreed to further investigate the potential for removing existing on-street parking on Mission Boulevard, south of Carlos Bee Boulevard along Auto Row, in order to provide additional traffic capacity. Initial review by the consultant's team and staff has confirmed the previous findings in the FEIR that additional lane capacity in this segment of the corridor would actually increase overall traffic on the corridor and cause more delay at the critical intersections. Modification of on-street parking is not being pursued.

Right-of-Way Acquisition-

To date, the City has acquired several of the properties required for the project. In general, appraisals have been completed for 29 of the 30 parcels identified in the FEIR as being affected by the project (see Exhibit A).

The vacant properties at 925 and 933 D Street (formerly La Victoria Restaurant) were acquired on November 20, 2008. This building currently includes a mural on the D Street side of the building, and staff has been working with the original artist who painted it to see if the mural can be repainted on another building in the downtown. Building deconstruction is anticipated for February 2009.

During December 2008, the property at 24900 Mission Boulevard (Euro Motors) and a portion of the property at 24832 Mission Boulevard (Toys for Big Boyz) was acquired. The property at 24830 Mission Boulevard (Tandoor Restaurant) and the property at 24744 Mission (AJ's Bar) are scheduled for acquisition on January 15, 2009.

In addition to these acquisitions, the City has made written offers for three residential properties on D Street. Discussions and negotiations are continuing with affected property owners, including active support for relocation.

Issues-

On June 17, 2008, Council authorized the City Manager to execute all future agreements relative to relinquishment of the existing state highways affected by the project. Relinquishment is a process by which the California Transportation Commission, usually in conjunction with legislation, declares a roadway to no longer be part of the state highway system; it then becomes a local street under a city or county's jurisdiction. As previously noted in the FEIR, this project could not be constructed as a state highway under Caltrans standards, because of the peak-hour travel lanes and other non-standard features. Therefore, relinquishment of the following segments is required: State Route 185 (Mission Boulevard) between A and Jackson Streets; State Route 238 (Foothill and Mission Boulevard) between the I-580 EB on-ramp to Industrial Parkway; and Route 92 (Jackson Street) between Mission-Foothill-Jackson and Watkins Street. Staff is continuing to negotiate the details of the relinquishment with Caltrans. The project is providing the funds necessary to improve the Caltrans right-of-way to City standards, which will allow a relinquishment to occur without the need for additional state funding to bring the roadway to a "good state of repair." The City anticipates being able to move forward with proposed legislation to effect the relinquishment during the first quarter of 2009.

FISCAL AND ECONOMIC IMPACT

The cost estimate developed for the Final Environmental Impact Report was \$111 million. ACTA has allocated \$38.4 million for the Final Design and Right-of-Way Acquisition Phase of this Project. The updated cost estimate submitted with the 35 percent complete documents continues to show the project to be within budget.

As of the date of this report, the City has expended approximately \$7 million; a request for reimbursement of this amount has been submitted to ACTA. In addition, at least \$4.5 million has been or will soon be formally offered for property acquisition, and that additional amount may also be expended once the City's offers are accepted. By the end of January, it is anticipated that the City will have spent between \$9 million and \$12 million toward project completion.

As all of this phase of the work will be reimbursed by Measure B, there will be no impact to the City's General Fund although, because of the reimbursement process, the Street System Improvement Fund does lose some interest from the fund balance. In actuality, there will be a savings to the General Fund, because staff time spent on this project will also be paid for from Measure B funds and not from the General Fund.

As noted above, and because the project was approved over a year ago, there have been significant expenditures prior to the start of construction related to the design and right-of-way acquisition efforts. ACTA, the agency responsible for administering the Measure B funds used for the project, wants to ensure that funds are used and projects delivered in a fashion approved by the voters in 1986. Thus, ACTA requires each of the project sponsors to enter into an agreement committing to constructing the project and expending the Measure B funds accordingly.

Under the funding agreement the City has with ACTA, the City is obligated to perform on the project as approved in exchange for the authorized funding. If for some reason the City cancels or

does not complete the project, ACTA will not reimburse the City for expenses. Additionally, the City will be obligated to reimburse ACTA for the monies paid to the City by ACTA for this project. This contractual obligation provides ACTA with some protection from funding projects that don't get constructed and ensures that the funds are "returned" and used on other high priority projects that will be constructed elsewhere in Alameda County.

PUBLIC CONTACT

Staff expects that the public information process will be ongoing. Since Council approval of the project, staff has continued to meet with affected property owners and those potentially impacted by the project. In addition, staff continues to meet with some of the members of the Downtown Business Improvement Area to receive their input on the ways in which disruption to their businesses can be minimized during construction. It should also be noted that staff answers questions on a regular basis from interested individuals and those potentially affected by the project. The Draft and FEIRs for the project, as well as other information, are included on the City's website.

SCHEDULE

Design and right-of-way acquisition are proceeding on time. The project's estimated schedule is as follows:

ACTA Approval of Agreement	February 2008
Council Approval of Consultant Agreement	May 2008
Design 65 Percent Complete	June 2009
Final Design and Right-of-Way Acquisition Complete	January 2010
Approve Plans and Advertise for Bid	February 2010
Award Construction Contract	April 2010
Begin Construction	May 2010
Construction Complete	December 2012

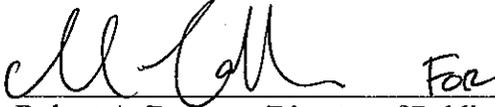
Construction along the entire corridor will not occur at the same time. It will be appropriately phased to minimize the length of time construction will occur along any portion of the corridor. Actual phasing of the construction is being reviewed by staff and consultants to determine how to best provide the maximum benefit and to minimize disruption and inconvenience to Hayward residents and businesses.

Prepared by:



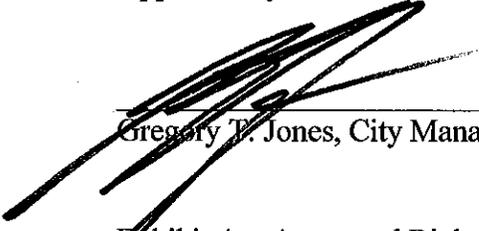
Morad Fakhrai, Deputy Dir. of Public Works

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Gregory T. Jones, City Manager

Exhibit A – Annotated Right of Way Drawings

**DUE TO THE LENGTH AND COLOR OF
THE REFERENCED EXHIBITS, THEY
HAVE BEEN ATTACHED AS
SEPARATE LINKS**