City of Culver City, California

Agenda Item Report

Meeting Date: 07/20/09_	Item Number: A-1
CITY COUNCIL AGENDA ITEM: Approval of an Amendment to the Agreement Reallocating the Remaining Costco Regional Traffic Mitigation Funds Toward the Admiralty Way between Fiji Way and Via Marina Improvement Project and/or the Washington Boulevard at Palawan Way Project	
Contact Person/Dept.: Helen Kerstein/PW	Phone Number: (310) 253-5618
Fiscal Impact: Yes [X] No []	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: [X]	Attachments: [X]
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: (E-Mail) Meetings and Agendas – City Council (07/08/09); (Telephone) Jim Kennedy, City of LA; (Telephone) Shari Afshari, LA County Department of Public Works; (Telephone) Planning Commission	
Department Approval: Charles D. Herbertson (07/10/09)	City Attorney Approval: Carol Schwab (by H. Baker) (07/15/09)
Chief Financial Officer Approval: Jeff Muir (by N. Kimball) (07/08/09)	City Manager Approval: Mark Scott (07/15/09)

RECOMMENDATION:

Staff recommends the City Council approve an Amendment to the Agreement reallocating the remaining $1,515,942 of Costco Regional Traffic Mitigation funds (RTM funds) toward the Admiralty Way between Fiji Way and Via Marina Improvement Project and/or the Washington Boulevard at Palawan Way Project (Attachment 2).

BACKGROUND:

On June 24, 1998, the Culver City Planning Commission approved the conditions of approval for the Costco project located near the intersection of Lincoln and Washington Boulevards. The RTM funds were required as part of those conditions. Since the purpose of the RTM funds is to implement regional transportation improvements, proposed expenditures must be agreed upon by representatives from Culver City and the City and County of Los Angeles.

The Costco development heavily impacts the intersection of Washington and Lincoln, which is one of the most heavily utilized intersections in the West Los Angeles region. At the time of Costco's construction, no traffic mitigation measures could be identified. However, subsequently and working with Culver City, the Los Angeles County Department of Public Works (LACDPW), in conjunction with the City of Los Angeles (LA) and the California Department of Transportation (CalTrans), identified regional projects that could alleviate traffic volumes on Lincoln Boulevard. These projects included the widening of Admiralty Way from Fiji Way to Via Marina and an at-grade extension of the SR-90 Marina Freeway across Lincoln Boulevard to Admiralty Way.

On February 2, 2002, the City Council authorized the expenditure of $117,808 for the Admiralty Way Widening project. Two and a half years later, on August 9, 2004, the City Council approved allocating the remaining $1,515,942 of Costco RTM funds toward the SR-90 Marina Freeway project (Attachment 1).

In August 2004, when the City Council originally considered allocating the remaining $1,515,942, both the widening of Admiralty Way from Fiji Way to Via Marina and at-grade extension of the SR-90 Marina Freeway across Lincoln Boulevard to Admiralty were evaluated in an effort to relieve traffic congestion on Lincoln Boulevard. The two projects were designed to draw traffic away from Lincoln Boulevard and onto Admiralty Way. In so doing, they were intended to reduce the volume of vehicular traffic at the intersection of Lincoln and Washington Boulevards, improving the level of service by a projected 12.5% as determined by a LACDPW traffic study.

In order to achieve these estimated improvements in traffic congestion, the City Council allocated the $1,515,942 of RTM funds for construction costs associated with the SR-90 Marina Freeway project (rather than costs related to the creation of design documents or the EIR preparation costs). However, since the City Council took this action, the SR-90 Marina Freeway project has been delayed, and it is unknown when construction will occur. The construction delay poses an acute problem because one of the Costco development conditions was that RTM funds be expended within seven years of the issuance of the last Certificate of Occupancy (COO) for the Costco project. The conditions state:

> "…If the project's moneys are to be spent on a regional capital improvement project which requires longer term implementation, the project's moneys may be allocated to any such improvement which has been unanimously approved by the review committee [comprised of representatives from the City of Culver City, the City of Los Angeles, and the County of Los Angeles] and the funds may be set aside in a separate interest-bearing account specifically designated for that improvement. <u>In such a case, the set-aside funds must be actually expended within an additional two years for a total of seven years from the date of the last original COO issued for the site, or be returned to the applicant with interest, … (emphasis added)</u>"

The final COO was issued on June 18, 2003. Therefore, the $1,515,942 of remaining RTM funds must be <u>expended before June 17, 2010</u>.

<u>DISCUSSION:</u>

In light of the delays on the SR-90 Marina Freeway project and the approaching deadline for expenditure of the RTM funds, staff recommends reallocating the $1,515,942 originally designated for the SR-90 Marina Freeway toward the Admiralty Way between Fiji Way and Via Marina Improvement project and/or the Washington Boulevard at Palawan Way project.

The Admiralty Way between Fiji Way and Via Marina Improvement project is a continuation of the Admiralty Way Widening project that the City Council provided funding for in 2002. It will include widening and signalization improvements at each intersection along Admiralty Way between Fiji Way and Via Marina. The Washington Boulevard and Palawan Way project consists of similar intersection improvements at the intersection of Washington Boulevard and Palawan Way.

These projects are not within the boundaries of the City of Culver City. However, there are a lack of available regional projects that are both more local and meet the requirement to mitigate the Costco project. Furthermore, staff has been in regular discussions with representatives from both LA and LACDPW and all parties believe these projects, like the SR-90 Marina Freeway project, would improve the region's traffic flow and improve traffic conditions at the Lincoln/Washington Boulevard intersection, thus benefiting the City of Culver City and achieving the original intent of the funds. The Los Angeles City Council has formally expressed its support for the concept of reallocating the RTM funds by approving a similar draft amendment last fall (Attachment 3). LA City staff has also expressed their intention to update the previously-approved draft amendment to conform to the language currently under consideration by this City Council.

The portion of the funds that goes to the Admiralty Way between Fiji Way and Via Marina Improvement Project versus the Washington Boulevard and Palawan Way Project will depend on which project proceeds to construction first since these funds will be targeted for construction. Additionally, while these funds will be focused on construction, they could potentially be used for planning, design, or other related purposes, if necessary, so they are expended before they must be returned to Costco.

FISCAL ANALYSIS:

The Conditions of Approval for the Costco Project required the establishment of a RTM fund in the amount of $2 million in the form of a letter of credit with Wells Fargo from which the City has the ability to draw down funds for qualifying projects. As of August 9, 2004, the remaining balance in the RTM fund was $1,515,942, which the City Council allocated to the SR-90 Marina Freeway project. If the City Council approves the proposed reallocation, this $1,515,942 will be transferred from the SR-90 Marina Freeway project to the Admiralty Way between Fiji Way and Via Marina

Improvement project and/or the Washington Boulevard at Palawan Way project. No City funding will be required.

ATTACHMENTS:

1. Agreement No. 75401 Allocating the Remaining Costco Regional Traffic Mitigation Funds Toward the SR-90 Freeway Extension Project
2. Amendment No. 1 to Agreement No. 75401 Allocating the Remaining Costco Regional Traffic Mitigation Funds Toward the SR-90 Freeway Extension Project
3. LA City Council Motion approving a the Substance of Draft Amendment No. 1 to Agreement No. 75401

MOTION:

That the City Council:

1A. Approve an Amendment to the Agreement reallocating the $1,515,942 of RTM funds toward the Admiralty Way between Fiji Way and Via Marina Improvement Project and/or the Washington Boulevard at Palawan Way Project; and,

1B. Authorize the City Attorney to review/prepare the necessary documents; and

1C. Authorize the City Manager to execute such documents on behalf of the City

OR

2. Do not approve the Amendment to the Agreement reallocating the RTM funds (The remaining RTM funds must be must be expended before June 17, 2010 or returned to Costco).; and,