

# STAFF REPORT

## *City Council Business Item*

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**DATE:** August 7, 2023

**TO:** Honorable Mayor and Council Members

**FROM:** Merritt Perry, City Manager

**SUBJECT:** **Professional Services Agreement with California Consulting for Reconnecting Communities Grant for the Kenmar Interchange Improvements**

### **STAFF RECOMMENDATION:**

Authorize the City Manager to negotiate and execute a contract with California Consulting, Inc. to complete two Reconnecting Communities Grants for the Kenmar Interchange Improvement in an amount not to exceed \$18,000.

### **BACKGROUND:**

The City's General Plan identified that the Kenmar Interchange would need to be improved to be able to accommodate the traffic generated by the City's planned growth. Mitigation measures were included in the General Plan Programmatic Environmental Impact Report that call for improving city intersections when financially feasible or as development occurs to maintain the level of service (LOS) at acceptable levels.

It is anticipated with the City's planned growth that the Kenmar Interchange with Highway 101 will not operate at an acceptable level of service without mitigation. Additionally, there are not bike, or pedestrian facilities that allow crossing of Highway 101 to the Riverwalk Area on the westerly side of Highway 101.

Therefore, the City has been steadily working to identify the improvements needed and develop a plan for improving the interchange. In 2016, the City complete a Complete Streets Connectivity Study that identified improvement alternatives for both the Kenmar/101, and the 12<sup>th</sup> Street/101 interchanges. A copy of the report can be found at the following link:

<https://www.hcaog.net/documents/fortuna-complete-streets-and-connectivity-study>

The City requested and received \$550,000 to complete the preliminary design and environmental documentation phase (PA&ED) of the project in 2018. Caltrans contributed staff time and funding to supplement the project and was an active project partner. The PA&ED phase is essentially complete, and the City adopted the Initial Study/Mitigated Negative Declaration for the project on March 20, 2023. A copy of that document can be found at the following link:

[https://cms8.revize.com/revize/fortunaca/Document%20center/Government/Public%20Notices/Community%20Development%20Notices/Kenmar%20101%20Interchange\\_ISMND\\_Appendicies%20Public%20Review%20Draft.pdf](https://cms8.revize.com/revize/fortunaca/Document%20center/Government/Public%20Notices/Community%20Development%20Notices/Kenmar%20101%20Interchange_ISMND_Appendicies%20Public%20Review%20Draft.pdf)

## **EXECUTIVE SUMMARY:**

The future growth of the City is dependent on the 12<sup>th</sup> and Kenmar Interchanges with Highway 101 being improved. Without improvement, future growth of the City will create an unacceptable level of service at those intersections. The City has completed the PA&ED phase for the Kenmar Interchange with Highway 101 and has recently initiated the PA&ED phase for the 12<sup>th</sup> Street Interchange with Highway 101. It is now time for the City to identify funding for the subsequent phases of work to deliver the Kenmar/Highway 101 Improvement Project including the development of the plans and specifications, acquisition of right of way and construction.

Congress passed the Infrastructure Investment of Jobs Act (IIJA) in 2021 that has directed an unprecedented level of funding for infrastructure projects in excess of \$180B over the next 10 years. The IIJA, also known as the “Bipartisan Infrastructure Law,” is a once-in-a-generation investment in the nation’s infrastructure and competitiveness. California receives federal infrastructure funding based on formula and competitive grants. Based on formula funding alone, the IIJA will bring California an estimated \$41.9 billion over five years. The improvements to the Kenmar/101 Interchange are estimated to cost \$25M.

Based on the funding available, now is an important time for the City to pursue grant funds to improve its interchanges with Highway 101. Because Kenmar/101 interchange has completed the environmental analysis it is essentially “shovel ready” and will be more competitive for grant funding. Staff have identified two grant programs funded by the IIJA that the Kenmar/101 Interchange will qualify for that do not require a match (most programs require 50% match).

The two grant programs that the staff would like to pursue are the Federal and State Reconnecting Communities Grant Programs. Each require a separate application and include different requirements. These guidelines for these grants were released at the end of June, and applications are due on September 20<sup>th</sup> and September 28<sup>th</sup> respectively.

Currently, we do not have the capacity to complete these grant applications in house and there are few grant writing consultants with the transportation planning and grant writing experience that have the capacity to help the City. The City has identified one consultant, California Consulting, Inc., that has the expertise, and availability necessary to assist the City. California Consulting has provided the attached proposal for assistance. Their proposed fee for grants over \$250,000 is between \$9,000 and \$12,000 depending on the actual effort.

Staff is requesting that the council authorize the City manager to negotiate a contract for up to \$18,000 with California Consulting for their assistance. It is likely the actual effort will be less than this amount. If approved, the City Attorney will review the agreement prior to finalization.

**FINANCIAL IMPACT:**

The proposed cost for the services from California Consulting, Inc. is expected to be up to \$18,000. There is currently no budget item for this work in the FY 2023-2024. Staff is requesting that the council approve this expenditure to come from the City's General Fund, Fund 100. There are adequate General Fund reserves to fund this effort in the City's General Fund, and for the City to remain in compliance with its adopted reserve policy.

**RECOMMENDED COUNCIL ACTION**

1. Receive staff report and review questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to authorize the City Manager to negotiate and execute an agreement with California Consulting, Inc. to assist the city with two Reconnecting Communities Grants in an amount not to exceed \$18,000. Voice vote.

**ATTACHMENT:**

**Attachment A** - Draft Agreement with California Consultants, Inc. for Grant Writing Services