

**MINUTES
CITY COUNCIL SPECIAL MEETING
DECEMBER 26, 2012 - 2:00 p.m.**

CALL TO ORDER

The special meeting of the City Council of the City of Highland was called to order at 2:01 p.m. by Mayor McCallon at the Donahue Council Chambers, 27215 Base Line, Highland, California.

ROLL CALL

Present: McCallon, Racadio, Scott, Timmer
Absent: Lilburn

COMMUNITY INPUT

None

CITY COUNCIL LEGISLATIVE

1. Bid Award – Bid No. 2012-03 “Greenspot Road Improvements” (Project No. str07004)

City Engineer Wong stated we have a deadline that we must meet in order to meet the funding requirement of the million dollar SLPP grant for this project. You are asked to approve the bid for the construction of infrastructure improvements on Greenspot Road between the freeway and Boulder Avenue. He would like to draw your attention to page two of the staff report, in the beginning of the background section of the staff report; there are nine categories of infrastructure. These are the categories of improvement that, as a Council, have set the priorities of how the \$11 million RDA grant should be spent. The bids were prepared for the first seven items, therefore you will not be taking action on the new traffic signal or the parkway landscaping on this bid. On these seven items, according to the bid results we received would range from, depending on how much of this work you would want to do, the bids range from \$5.9 million to \$7 million. As indicated in the bid results on page three of the staff report, you have originally allocated \$11 million of RDA bond funds to this project back in 2007, and more recently the City was able to get a \$1 million State grant and also another additional \$575,000 State grant potentially in early January. So you have some additional grant funding to add to the funding source for this project, for our \$1.77 million. In addition, the City will be reimbursed by future development in an amount of \$373,000, because the City actually made an advanced payment to TREH Partners instead of making them wait to get reimbursed later when other new development occurs on Greenspot Road. The City agreed to actually pay TREH Partners on behalf of future development \$373,000, so this amount of money is also available if you want to consider it that

way. This could be used to work on the infrastructure improvement. So you would have a total of \$12.9 million that is allocated to this project. Out of that \$12.9 million, the City already paid out \$4.9 million, of which most of it goes to Edison, and then we also need to reserve \$2.2 million for other future project-related costs that we know. Therefore, you have \$5.8 million left for the construction of the work covered in this particular bid. On page two of the staff report, he listed in summary what items are covered under Bid Schedules One, Two and Three. Basically Bid Schedule One is the basic bid that covers the street improvement, the drainage improvement and wet and dry utilities plus some underground conduit work for street lights. So basically Bid Schedule One would cover everything that goes underground plus street improvements. Bid Schedule Two is the streetlights, just the poles themselves, within the median and along the parkways. Bid Schedule Three is the median landscaping and also some entry monument signs. So your options are listed and we provided some options to consider. Award Option Number One on page three, is that you award only Bid Schedule One. If you award Bid Schedule One, then we need another \$23,000 to complete the work in Bid Schedule One.

Councilman Racadio asked does that include the \$373,000?

City Engineer Wong stated yes, because you have originally allocated \$11 million then plus \$1.7 million plus \$373,000 in reimbursement; but we would need another \$23,000 to finish Option One.

City Manager Hughes stated we would recommend it come from RDA bonds. We have extra money available in the RDA bond program that, as long as it is a listed project on those 2007 bonds, we think we will be able to use bond funding for it.

Councilman Timmer asked aren't we already allocating the \$11 million in bonds totally? So where is the extra bond money coming from?

City Manager Hughes stated we actually bonded for \$40 million of bonds when we did the original bond. \$11 million was allocated to this project, but if you recall we also allocated bond money for the police station which ended up coming in under budget so there was some savings there. As long as it is listed as a project in the bond documents, we can use the bond money for this project.

Councilman Timmer asked so that could apply also to Phase One and Three?

City Manager Hughes stated correct.

City Engineer Wong stated Award Option Two is you not only do the street improvement but also the street lights in the parkway and in the median. By doing this you will need another \$752,000 allocation to complete the work. Award Option Three is you also do the not only the standard street improvement work and the streetlight work, but also the landscaping work plus the entry monument signs. Doing that you would need another \$1.43 million. On page four, Award Option Four

is intended to try to stay within your original \$11 million allocation. In order to try to stay close to the original \$11 million RDA allocation, you can consider doing a couple of things. Number one is to not do all the streetlights and only do the streetlights within the median, and not do the streetlights along both sides of the street. Justification to do that is, you don't have new development yet on the north side and along some parts of Greenspot Road. So you don't have all these driveways that could access in and out of Greenspot Road so the roadway itself is kind of a through-travel pattern without a lot of turning patterns. If you want to save some initial costs, that is where the savings could be. In other words, do the lights which are within the median, but not on both sides. For example, to do the parkway median light would cost about \$391,000.

Councilman Timmer stated we would still put all the conduit in.

City Engineer Wong stated conduit is part of Schedule One. All the conduit would be in, but not all the light posts. That is one area that you can consider some savings. The other area you can consider to realize some savings is the brick pavers that are currently proposed for two intersections. Basically, the intersections would be the intersection with the new traffic signal at LA Fitness, and also a future traffic signal location where we used to have an old Wal-Mart proposal. In order to do the brick pavers you will need to remove the existing asphalt, and then we construct the intersection with brick pavers. You can consider removing all of the brick pavers so that you don't reconstruct the intersections, and that would give a savings of \$395,000. Or if you want to keep some brick pavers there for aesthetics reason, we don't do the entire intersection; you only do the brick pavers on four legs of the intersections which would be used like a crosswalk. If you do that kind of reduction of brick pavers, you would save another \$256,000. Another way you could have some savings is not to build water and sewer; to sub out, because as part of Bid Schedule One we are doing water line and sewer line stepping out into future developments. That work would cost about \$412,000, so you can decide not to do that. Let new development do that in the future when they have buildings that need sewer and water service and postpone that work until the future.

City Manager Hughes stated the problem with that option is you would have to come back in and do straight cuts at a later point, and then you're re-doing the street again. So it's an option, but staff doesn't really recommend that option.

Mayor McCallon asked we have bond monies available, and if we don't spend them what happens to them?

City Manager Hughes stated if you don't spend the bond money on projects that are listed within the program, then the money has to be used to diffuse the bonds.

Mayor McCallon asked are any of these funds scheduled to be used for anything else?

City Manager Hughes stated we have other projects and we certainly can use the bond money on other street programs. That being said, this is one of your main corridors into the community that is eligible to use the additional bond money that you could finish off for all intents and purposes, the city's portion of all the work and have that street completely done. Not only would it benefit the projects in this immediate vicinity, but also will benefit as construction happens along the east end and more traffic comes through this intersection. This will be the main intersection and the way to get onto the freeway for all your development out to the east.

Councilwoman Scott asked wasn't this designated for this site? Weren't these grants and bonds and so forth designated for this?

City Manager Hughes stated yes. We do have bond money available and City Engineer Wong also went after additional grant money, but there is not enough money in what the Council allocated of the bond money originally to cover all of this. So that is why we are talking about options. Now there were some savings that we realized when we built the Police Station, and that was a project listed on the 2007 bonds. That savings, approximately \$2 million, could be used on any project listed in the bond program and this is one of those projects.

Mayor McCallon asked does staff have a recommendation?

City Manager Hughes stated as far as the benefit to the community, he thinks we are looking at it as a main gateway into Highland. Were going to be finishing off the gateway off of Base Line coming to the west, and City Engineer Wong is working on the program that will finish off the gateway on Base Line going to the east. This will give you your other off-ramp in the City going to the east, and we are working with the mining companies and IVDA to finish the gateway going to the west. So if you invest this money, he thinks we will be in pretty good shape. Your community's gateways off your freeway will be completed.

Councilman Timmer stated the last part of page four talks about the Department of Finance and where they are at and that's kind of a trigger on a lot of this stuff. Then also it says in the staff report, which raised a question to him, we have to match those SLPP funds to development impact fees. That number isn't added into any of those figures at this point. His question would be, if we have to match the SLPP grant, wouldn't the number be \$.5 million higher?

City Engineer Wong stated instead of allocating \$11 million, we would reduce it by the amount of development impact fees.

City Manager Hughes stated you would use the RDA money then to pull the project that we had scheduled to use DIF funds for. On the Department of Finance issue, we have been working diligently with the Department of Finance. We have made multiple phone calls to try to get a letter from them stating if the City wanted to proceed on projects that are listed in our bond documents, if the City wanted to front money to go ahead and get going on it, would we be eligible for reimbursement.

We had a conference call with Department of Finance. They said it shouldn't be a problem and they would give a letter to that effect. We still have not received that letter. This bid award is contingent upon the City getting that letter and/or getting our "golden ticket" from the Department of Finance. Unfortunately, we are dealing with two State departments that don't play well together and we are stuck in the middle. We explained this to the Department of Finance, and all we are asking for is for them to send us a letter and we will front the money to get started on this project, but we have not received the letter. We have to realize we are not the only agency in this game. The Department of Finance is dealing with 400 plus agencies which are probably have similar issues that we have. So we are going to have to have some patience in this process but we feel comfortable awarding, but not executing, the contract.

Councilwoman Scott asked going through the different alternatives, the street lights, the original was to have street lights on both sides of the streets and now you're saying one of the alternatives is to put them in the center down the median?

City Manager Hughes stated the bid includes street lights in the center median and on the outsides as well.

Councilwoman Scott asked how many on each side?

City Engineer Wong stated there are 39 parkway lights both north and south.

Councilwoman Scott asked how many median lights?

City Engineer Wong stated 22.

Councilwoman Scott asked and this is over an area of how far?

City Engineer Wong stated from the freeway to Boulder Avenue.

Councilwoman Scott stated her personal opinion is it's an absolute must to include the water and sewer. Then driveways were mentioned; how many driveways are we talking about? One of the main things about Greenspot is that it be business friendly, and you're not business friendly if you don't have enough driveways to let the citizens get into the area.

City Manager Hughes stated these are major signalized intersections on Greenspot. There isn't a bunch of driveways into each business.

City Engineer Wong stated plus there is a master plan. The developer already has planned where the driveways need to be and the street work will fit exactly what the site plan states.

Councilwoman Scott stated personally she feels the medians cut out people having ease of access to the businesses. She doesn't want to have so few driveways that they have to go clear down the street.

Councilman Timmer asked Alternate B, where it talks about the stamped decorative pavers, has this design been signed off from the Planning Commission? Do we have to go back if we change the brick paver lay out.

City Engineer Wong stated the pattern of the interlocking paving stones would be the one approved by the Planning Commission, except that if you reduce the area so that not the entire intersection has pavers but only the crosswalk has it.

City Manager Hughes stated the City Council has the ultimate say on all City construction projects.

City Engineer Wong stated he would like to provide two clarifications. One is to correct a mistake on the staff report, on page four under Alternate A. The last sentence stated additional funding allocation of \$280,000 is required. That is wrong. It should state no additional funding allocation is required. Number two is if Council is considering awarding the contract to also do the median landscaping, be aware that there is an annual maintenance cost to maintain the new landscaping. He wants to point out though, that the developer had, in the past, agreed to have their property annexed into the LMD and was willing to pay for the maintenance costs as a condition that the City would do the landscaping in the first place.

Councilman Racadio stated would the pavers last longer than pavement in terms of maintenance.

City Engineer Wong stated this paver we chose will last a long time because we are actually putting a layer of concrete underneath the paver and the paver is pretty thick. It is designed to sustain heavy traffic so we think it would last long.

Mayor McCallon stated he is in favor of the pavers. He thinks it would add something to the entrance, and if there is minimal additional maintenance required he thinks it would be worth having.

Councilwoman Scott asked where does it state in Option Three it includes the water and sewer?

Mayor McCallon stated that is listed in Option One.

A MOTION was made by Councilman Racadio, seconded by Councilman Timmer, to select Option Three as listed in the staff report and for the \$1,429,805 be funded through bond funds and award the bid accordingly for Bid No. 2012-13 to the responsible low bidder, Mamco, Inc. Motion carried, 4-0, with Mayor Pro Tem Lilburn absent.

2. Memorandum of Understanding with IVDA for Joint Development of the 5th Street/Del Rosa Improvement Project

City Engineer Wong gave a brief review of the staff report.

Councilwoman Scott asked is there any possible way to include Victoria between Third and Fifth in the project? This street is absolutely horrible.

City Engineer Wong stated part of \$8.6 million can be spent on Victoria Avenue. This MOU itself is strictly dealing with Fifth Street and Del Rosa Drive, but it does not prohibit us from continuing to develop a project to include Victoria. In fact we have a design done by the same firm and we just need to get organized and do an overall evaluation of our financial picture so we can assign priorities to different projects, and this can be one of those projects we can consider.

A MOTION was made by Councilman Racadio, seconded by Councilman Timmer, to approve the Memorandum of Understanding with IVDA for Joint Development of the Fifth Street/Del Rosa Improvement Project. Motion carried, 4-0, with Mayor Pro Tem Lilburn absent.

ADJOURN

There being no further business, Mayor McCallon adjourned the meeting at 2:42 p.m.

Submitted By:

Approved By:

Betty Hughes, MMC
City Clerk

Larry McCallon
Mayor