



DATE: June 25, 2019

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Charleston Road Improvements, Feasibility Study, Project 16-59 – Amend Project and Approve Reimbursement Agreement**

RECOMMENDATION

1. Appropriate and transfer \$3,142,000 from the Shoreline Regional Park Community Fund to Charleston Road Improvements, Feasibility Study, Project 16-59. (Four votes required)
2. Authorize the City Manager to execute a reimbursement agreement with Google Inc. (“Google”) in an amount not to exceed \$2,950,000 for design services for the Charleston Road Improvements.

BACKGROUND

The Charleston Corridor Transit Boulevard is identified as a Priority Transportation Improvement in the North Bayshore Precise Plan (original and as amended in 2017). Charleston Road is envisioned as an east-west corridor through the North Bayshore Area where transit, bicycles, and pedestrians are prioritized over single-occupant vehicles. Improvements include transit stops at strategic locations to serve corporate and Transportation Management Agency (TMA) shuttles (MVgo) as well as off-street cycle tracks for pedestrians and bicyclists.

A predesign study, which included layout, right-of-way, and tree impacts along Charleston Road, was completed by Google as part of the Charleston East offsite improvement design, and was reviewed by the City Council on October 4, 2016.

Two segments are currently under construction by Google. The improvements on the frontage of the Charleston East development (north side of Charleston Road between Shoreline Boulevard and Joaquin Road) are part of Google’s off-site improvements for Charleston East. Though not required to, Google also designed and is constructing the improvements on the north side of Charleston Road from Joaquin Road to Huff Avenue and on the south side between Shoreline Boulevard and Huff Avenue (called “Phase I”).

The remaining phases (from Huff Avenue to Salado Drive) will likely be funded by a combination of Transportation Impact Fees and Shoreline Regional Park Community funds. It is not likely that design and construction would occur as part of the frontage improvements of a development, as was done with Charleston East, as staff does not anticipate near-term redevelopment of any of the large properties with frontage on Charleston Road.

Google has offered to continue design of the improvements and be reimbursed by the City. Google's request for reimbursement is only for out-of-pocket costs, including design, cost estimating/constructability, and project management. Contract and other administrative costs would be borne by Google. The total estimated cost of the design phase is approximately \$3,800,000. Staff recommends accepting Google's offer because:

- The Charleston Corridor improvements would support transit and active transportation today and become more important as development continues to occur in North Bayshore (both commercial and residential);
- Considering its large scale, this project will take a number of years to complete. The first phase is already under construction, and staff recommends continuing design on the remainder. Construction can then be phased in accordance with available resources;
- Having Google manage the design is more efficient from a staff resource standpoint. While staff will continue to review plans and specifications, contract management will be performed by Google's contract project management staff. Considering the heavy capital project workload of City staff, this is a good strategy if the project is to move forward in a timely way; and
- Designing major projects during good economic times can enable construction during slower times when prices are better.

During the Capital Improvement Program Study Session on March 26, 2019, staff reviewed the proposal for Google to manage the project, and the Council supported the proposal. Staff indicated that a recommendation for approval of a mid-year capital improvement project and reimbursement agreement would follow.

ANALYSIS

The recommended actions would amend the existing Charleston Road Improvements project to provide funding for the design of the remaining phases of the project and authorize the City Manager to execute a reimbursement agreement for the design. The estimated cost to the City of the design effort is as follows:

Design Services	\$2,100,000
Soils Testing	100,000
Project Management	425,000
Constructability Review and Other Services	<u>325,000</u>
Subtotal	\$2,950,000
City Administration @ 6.5%	<u>192,000</u>
TOTAL PROJECT COSTS	<u>\$3,142,000</u>

The reimbursement agreement will establish the roles and responsibilities of each party, including:

- Approval by the City of the design firm selected by Google;
- Documentation of actual costs by Google prior to review and payment by the City;
- The maximum reimbursable amount of the agreement;
- Periodic billings submitted by Google to the City; and
- Prompt (30-day) payment to Google of mutually agreed billing amounts.

FISCAL IMPACT

The Charleston Road Improvements, Feasibility Study is funded in the amount of \$762,000 from the Shoreline Regional Park Community Fund. This project has funded coordination, plan checking, and other activities associated with Google’s preparation of the Charleston Road Improvements feasibility study and Phase I design and construction. This funding would continue to cover the cost of coordination and plan checking of the next phases covered by the reimbursement agreement.

The recommended actions would increase funding by \$3,142,000 for total funding of \$3,904,000 from the Shoreline Regional Park Community Fund. The additional funding would be for costs covered by the reimbursement agreement and City administration.

ALTERNATIVES

1. Do not approve the reimbursement agreement and direct staff to present the project for consideration during the Fiscal Year 2020-21 Capital Improvement Program process.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

Prepared by:

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