



# COUNCIL REPORT

**DATE:** June 25, 2024

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** **Rengstorff Grade Separation, Design and Right-of-Way, Project 22-27—Professional Services Agreement**

## **RECOMMENDATION**

Authorize the City Manager or designee to execute a professional services agreement with Associated Right of Way Services, Inc., a California corporation (Entity No. 1561126), to provide acquisition, relocation, and appraisal services for Rengstorff Grade Separation, Design and Right-of-Way, Project 22-27, in a not-to-exceed amount of \$540,000, for a total compensation amount of \$590,000. Approximately 10% of the total costs from preliminary engineering through construction for the Rengstorff Grade Separation project will be funded by the Shoreline Regional Park Community Fund.

## **BACKGROUND**

The Rengstorff Grade Separation project (Project) will depress the intersection at Rengstorff Avenue and Central Expressway below grade and leave the Caltrain tracks at existing grade (see Figures 1 and 2). With the change in elevation of Rengstorff Avenue, Crisanto Avenue will end in a cul-de-sac, and Leland Avenue's connection to Rengstorff Avenue will be moved further south and will be signalized. A bicycle/pedestrian bridge across Rengstorff Avenue parallel to the train track bridge will connect Crisanto Avenue and Leland Avenue.



**Figure 1: Project Rendering, View from Northeast**



**Figure 2: Project Rendering, View from Southwest**

The significant grade changes of the underpass affect access to some businesses and residences, requiring full or partial acquisition. In addition, the significant scope of the Project requires a large construction staging area and several temporary construction easements that will impact businesses.

There have been several Council actions for the Project, with the recent actions/milestones related to right-of-way shown in Table 1.

**Table 1: Recent Actions/Milestones**

Date	Action/Milestone
<a href="#"><u>November 1, 2022</u></a>	Council authorized execution of a Cooperative Agreement with Caltrain and Santa Clara Valley Transportation Agency (VTA) for Final Design and Right-of-Way Acquisition for the Project. The agreement included roles and responsibilities and a commitment of \$42 million in VTA Measure B funding. The agreement was executed in August 2023.
<a href="#"><u>December 7, 2023</u></a>	The Peninsula Corridor Joint Powers Board (JPB) of Directors approved awarding a contract to AECOM to provide final design services for the Rengstorff Avenue Grade Separation. The final design phase of the Project and selection of the Construction Manager/General Contractor will commence in summer 2024.
<a href="#"><u>January 23, 2024</u></a>	<p>As a result of increased costs for the Rengstorff and Castro grade separation projects, Council provided the following direction at the Study Session:</p> <ul style="list-style-type: none"> <li>• Prioritize the Rengstorff Project for project delivery, including an interim plan for Castro Street crossing of the train tracks and Central Expressway.</li> <li>• Return to Council in fall 2024 with an update on cost estimates for both grade separation projects, results of grant applications, and any new information available, giving the Council an opportunity to reprioritize the grade separation projects.</li> </ul>

One of the properties that needed to be acquired by the Project is an owner-occupied single-family home on Rengstorff Avenue. The property owners requested that the City acquire the property as soon as possible. In December 2023, the City entered into an agreement with Associated Right of Way Services, Inc. (ARWS), to provide on-call right-of-way consulting and real property appraisal services for the Project in a not-to-exceed amount of \$50,000, to assist

with this acquisition and additional inquiries from the property owners. Consistent with Council Policies A-10 and H-1, the City Manager executed a Purchase and Sale Agreement, including relocation benefits, for this property in May 2024.

## **ANALYSIS**

With the size and complexity of the Project, more extensive acquisition, relocation, and appraisal services will be required. On April 23, 2024, the City issued a Request for Proposals (RFP) for right-of-way consulting services and received proposals from five firms. A selection committee evaluated the proposals and reviewed the qualifications and understanding of the Project. The committee selected ARWS as the most qualified firm based on merits of their experience in completing similar projects locally, understanding the Project goals, and having positive past performance working on City, VTA, and JPB/Caltrain projects.

The main elements of the scope of work include:

- Acquisition support;
- Relocation assistance to property owners, tenants, and businesses;
- Appraisals for property acquisitions, fixtures, and equipment;
- Goodwill appraisal to determine compensation for a business that is being displaced and losing patronage on a permanent basis; and
- Appraisal review.

The recommended fee of \$540,000 is consistent for such services, and staff considers the fee to be fair and reasonable for the scope of work required. If the recommended action is approved by Council, ARWS will begin acquisition and appraisal services under a new agreement in August 2024. The right-of-way work is anticipated to take approximately two years. The construction of the Project is estimated to begin in spring 2026.

**FISCAL IMPACT**

Rengstorff Grade Separation, Design and Right-of-Way, Project 22-27, is currently funded as follows:

**Table 2: Project Funding**

<b>Funding Source</b>	<b>Amount</b>
Shoreline Regional Park Community	\$ 5,000,000
San Antonio Public Benefits	2,100,000
Transportation Reserve	<u>900,000</u>
<b>TOTAL</b>	<b>\$ 8,000,000</b>

The City will also receive \$23.5 million of the \$42 million from the VTA Measure B Grade Separation funding toward right-of-way acquisition, with the remaining \$18.5 million going to Caltrain for the final design work. The total design and right-of-way budget is \$50 million with the Measure B, Shoreline Regional Park Community, and City funds. Shoreline Regional Park Community Fund is providing approximately 10% of the total costs for design and construction, including right-of-way acquisition, due to the project benefits for the North Bayshore Area, which includes significantly improving access to the Rengstorff Avenue gateway into North Bayshore.

The fee for the recommended agreement with ARWS is \$540,000 for services and reimbursable expenses and, combined with past services for the Project at a cost of \$50,000, the total compensation is \$590,000. The Project has sufficient funds for the recommended action; no additional appropriation is requested at this time.

**ALTERNATIVES**

1. Do not authorize the recommended professional services agreement and direct staff to select a different consultant.
2. Provide other direction.

**PUBLIC NOTICING**—Agenda posting.

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