

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0164

LOG NAME: 20CANTRELL SANSOM APPROPRIATION

SUBJECT

Adopt Appropriation Ordinance Increasing Appropriations in the Amount of \$500,000.00 from Available Funds within the Street Improvements 2008 Fund for Staff Inspections, Construction Management, and Fiscal and Project Management Costs for the Cantrell Sansom Road Widening Project and Update the FY 2020-2024 CIP (2008 Bond Program) (COUNCIL DISTRICT 2)

RECOMMENDATION:

It is recommended that the City Council adopt the attached Appropriation Ordinance increasing appropriations in the amount of \$500,000.00 from available funds within the Street Improvements 2008 Fund for staff inspections, construction management, and fiscal and project management costs for the Cantrell Sansom Road Widening Project (City Project No. 102217).

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to program residual 2008 bond funds to cover staffing and management costs for a transportation impact-fee-funded construction project and to update the FY 2020-2024 CIP.

Construction on the Cantrell Sansom Roadway Widening Project is being funded out of transportation impact fee proceeds. The project limits are from the Mark IV Parkway/Cantrell Sansom Road roundabout to the future IH-35W southbound frontage road. Segment One is a two-lane rural asphalt roadway up to Old Denton Road. Segment Two is a two-lane urban concrete roadway west of Old Denton Road to the eastern property line of the Carlsbad development (City Project No. 100813). This section of roadway was built by the developer of the Carlsbad addition. Additional right-of-way will be required for Segment Two. The project is located within Transportation Impact Fee Service Area F and is eligible for transportation impact fee funding. This project was approved by M&C G-19568 on June 25, 2019 and is currently in the conceptual design stage.

Completion of the project will involve an estimated \$500,000.00 in costs associated with staff inspections, construction management, and fiscal and project management costs. Transportation Impact Fee funds cannot be used for city staff costs and administrative charges; therefore additional funds of an alternative source need to be appropriated.

The City Council previously found that all of the street improvement projects in the Proposition One of the 2008 Bond Program were substantially complete and authorized the re-programming of residual funds that had been identified up to that point to other eligible projects (M&C G-18738). Since that time, more projects have been completed and closed out with additional residuals being identified.

The costs in question constitute an integral part of the delivery of the permanent improvements and will be rolled up with and capitalized as part of the overall costs of the construction project. Because these costs qualify as capital expenses of the permanent improvements, they could be funded out of bond proceeds.

Staff has determined that \$500,000.00 is available in the Street Improvements 2008 Fund for the staff inspections, construction management, fiscal and project management costs associated with this project, which is a street improvement project and therefore within the voted purpose of the 2008 bonds. Approval of this M&C will appropriate \$500,000.00 in 2008 residual bond funds to this project and in doing so, City Council is affirming that this project and expenditure are within the voted purpose of the bonds.

The overall City project budget is \$3,955,900.00 for the Cantrell Sansom Roadway Widening project (City Project No. 102217). Currently, \$3,455,900.00 is available for design, right-of-way and construction of these two segments.

Fund	Existing Appropriations	Additional Appropriations	Project Total
30108 Impact Fee Fund	\$3,000,000.00	\$0.00	\$3,000,000.00
39008 Legacy Impact	\$455,900.33	\$0.00	\$455,900.33
39407 Street Improvements	\$0.00	\$500,000.00	\$500,000.00

Project Total	\$3,455,900.33	\$500,000.00	\$3,955,900.33
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This additional appropriation for this project was not included in the FY2020-2024 Capital Improvement Plan. Recently an opportunity was identified to leverage transportation impact fees and expand the project scope. This action in this M&C will update the FY2020-2024 Capital Improvement Plan. The completion of this project will have no significant impact on the general fund operating budget.

The project is in COUNCIL DISTRICT 2.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the 39407-Street Improvements 2008 Fund for the Cantrell Sansom Road Widening project. Prior to an expenditure being incurred, the Transportation & Public Works Department has the responsibility of verifying the availability of funds.

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