

Council Meeting of
June 2, 2009

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Approve Budget transfers between the Torrance Boulevard Rehabilitation, T-43/44 and the Hawthorne Boulevard Rehabilitation, T-45 projects. Expenditure: None.

RECOMMENDATION

Recommendation of the Public Works Director that City Council:

1. Approve a budget transfer in the amount of \$867,353 of Surface Transportation Program-Local federal funds from the Hawthorne Boulevard Rehabilitation, T-45 to the Torrance Boulevard Rehabilitation, T-43/44; and
2. Approve a budget transfer in the amount of \$867,353 of Gas Tax funds from the Torrance Boulevard Rehabilitation, T-43/44 to the Hawthorne Boulevard Rehabilitation, T-45.

Funding

Funding is available from project T-43/44 Gas Tax funds and from project T-45 Surface Transportation Program-Local funds.

BACKGROUND AND ANALYSIS

The Torrance Boulevard Rehabilitation (Sartori Avenue to the west city limit) is included in the adopted capital budget as project T-43/44 ("T-43/44 Project"). Construction has been ongoing since October 2008 and will be completed in summer 2009. A portion (\$1,712,725) of the T-43/44 Project is funded by Surface Transportation Program-Local ("STP-L") federal funds. STP-L federal funds are funds that are allocated on a yearly basis (approximately \$435,000 annually) to Torrance and primarily used to offset construction costs for qualifying projects. After the City obtains approval from the Federal Highway Administration, the STP-L federal funds are available on a reimbursement basis only.

The Hawthorne Boulevard Rehabilitation (PCH to south City limit) is included in the adopted capital budget as project T-45 ("T-45 Project"). A portion (\$1,176,525) of the T-45 Project will be funded by a future allocation of STP-L federal funds. However, in September 2008, the start of the design phase of the T-45 Project was temporarily deferred and it is expected that the project will remain deferred for the remainder of 2009. Therefore, the City is not yet eligible to claim the allocation of STP-L federal funds for the T-45 Project. Rather

than wait an additional one to two years to become eligible for the future allocation of STP-L federal funds for the T-45 Project, staff investigated an option to reallocate some of the STP-L federal funds reserved for the T-45 Project to the T-43/44 Project. This option would expedite the use of STP-L federal funds and will help the City offset costs for an active project.

In March 2009, Public Works was successful in obtaining approval from the Federal Highway Administration to reallocate \$867,353 of future STP-L federal funds originally reserved for the T-45 Project to the T-43/44 Project. This approval allows the City to be reimbursed for a higher percentage (approximately 42%) of construction costs for the T-43/44 Project. The only remaining needed approval is an approval by the City Council to increase the T-43/44 Project's STP-L federal funding budget from \$1,712,725 to \$2,580,078, an increase of \$867,353.

The recommended two budget transfers will transfer \$867,353 of STP-L federal funds from the T-45 Project to the T-43/44 Project and transfer \$867,353 of Gas Tax funds from the T-43/44 Project to the T-45 Project. The net result will allow the City to immediately use STP-L federal funds to help offset costs and there will be no change to the overall amount of either project's budget.

Budget Transfer Summary

The T-45 STP-L federal funding budget will be reduced from \$1,176,525 to \$309,172, a decrease of \$867,353. The T-45 Gas Tax fund budget will increase from \$0 to \$867,353. The T-43/44 STP-L federal funding budget will increase from \$1,712,725 to \$2,580,078, an increase of \$867,353. The T-43/44 Gas Tax fund budget will be reduced from \$2,961,000 to \$2,093,647, a decrease of \$867,353.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By Craig Bilezerian
Engineering Manager

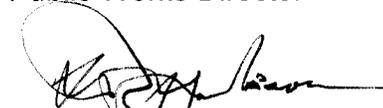
CONCUR:



Robert J. Beste
Public Works Director



Elizabeth Overstreet
Engineering Manager



LeRoy J. Jackson
City Manager