



City Council Report

Date: April 19, 2021
To: City Council
Through: Scott J. Butler, Deputy City Manager
From: R.J. Zeder, Transportation Department Director
Erik Guderian, Deputy Transportation Director
Maria Angelica Deeb, Transportation Projects Coordinator
Subject: Intergovernmental Agreement for Advance Construction Authorization for the Signal Butte Road: Williams Field Road to Germann Road Arterial Life Cycle Program Project (District 6)

Purpose and Recommendation

The purpose of this report is to request the approval of a Resolution authorizing the City Manager to enter into an Intergovernmental Agreement for Advance Construction Authorization between the Arizona Department of Transportation (ADOT), the Maricopa Association of Governments (MAG) and the City of Mesa for the Regional Transportation Plan (RTP) project: Signal Butte: Williams Field Road to Germann Road.

Background

In November 2004, the voters of Maricopa County approved a transaction excise tax for the purpose of implementing the Regional Transportation Plan (RTP). The arterial street component of the RTP, defined in the ALCP, includes major arterial streets and intersection improvements (Arterial Street Improvements) with a revenue allocation. The Federal Highway Administration (FHWA) allocated Surface Transportation Block Grant Program (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds to the MAG region as sources of revenue, and these are administered by the Arizona Department of Transportation (ADOT) and are eligible to be used to implement the RTP.

Discussion

Funds for the ALCP are administered by ADOT through its Regional Arterial Road Fund (RARF) sub-account for arterial streets, and through allocations of Federal Highway Administration STBG and CMAQ funds that are allocated to the MAG region and administered by ADOT. Funds will be disbursed by ADOT once federal, state or local requirements are satisfied, as applicable, and upon the presentation of an invoice approved or reviewed with concurrence by MAG as provided in this Agreement.

MAG has programmed the Project for the Years of Expenditure and Years of Reimbursement as described in the TIP and/or ALCP. The programmed total construction cost of the Project is currently estimated at \$21,884,205.00, identified in the FY2021 ALCP and the FY2020-2024 MAG TIP, as shown on Exhibit A in the Intergovernmental Agreement.

The City intends to obligate the construction in FY2021 and is willing to expend City funds to complete the Project and will seek reimbursement for authorized costs in the Federal Fiscal Year of Reimbursement (FY2022) as identified in the TIP and ALCP. Therefore, the City and MAG request the State to submit the Project to FHWA for approval, Advance Construction authorization and Federal-aid Funding.

The Project is scheduled to advertise for bid in FY2021 and the City will be responsible for all construction costs associated with the Project. The State will reimburse the City based on eligibility for a total estimated at \$12,385,195.00. The final costs may exceed the estimates programmed in the MAG TIP and/or ALCP, and in such case the City is responsible for all costs which exceed the Federal-aid Funding programmed for the Project and/or any and all costs deemed ineligible for reimbursement.

Alternatives

The alternative is to not approve the resolution, which would prevent the City from accelerating the start of construction of this project to FY2021 and receiving the eligible reimbursement in this FY of obligation.

Fiscal Impact

The Signal Butte Road: Williams Field Road to Germann Road corridor improvements Project is an ALCP project and Mesa is eligible for federal reimbursement for eligible expenses up to \$12,385,195.00. If the Advance Construction agreement is not approved, then Mesa is no longer eligible for these reimbursements in FY2021.

Coordinated With

This Agreement has been coordinated with the Engineering Department, the Office of Management and Budget, and Financial Services.