



**CITY COUNCIL
AGENDA BILL**

**AB 1127
November 23, 2010
Regular Business**

Agenda Item: 10a

Proposed Action & Subject: Presentation/discussion/direction on various aspects of a proposed route transfer of portions of State Route 89A within the City Limits, including but not limited to, the following:

- a. Presentation/discussion concerning a report by CivTech Engineering on alternative safety enhancements and other possible enhancements to SR 89A.
- b. Presentation/discussion concerning negotiations with the Arizona Department of Transportation (ADOT) on the terms of a proposed route transfer.
- c. Presentation/discussion concerning the availability of state and federal funding sources for ongoing operational costs of SR 89A.

Department: City Manager's Office

Time to Present: 20 minutes

Other Council Meetings:

Exhibits: A. CivTech SR 89A Crash Analysis & Safety Evaluation
B. ADOT Analysis of Financial Proposal

City Attorney Approval	Reviewed 11/16/10. M. Goimmarac	<table border="1"> <tr> <th colspan="2">Expenditure Required</th> </tr> <tr> <td></td> <td style="text-align: center;">\$ 0</td> </tr> <tr> <th colspan="2">Amount Budgeted</th> </tr> <tr> <td></td> <td style="text-align: center;">\$ 0</td> </tr> <tr> <td colspan="2" style="text-align: center;">Account No. (Description)</td> </tr> <tr> <td>Finance Approval</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	Expenditure Required			\$ 0	Amount Budgeted			\$ 0	Account No. (Description)		Finance Approval	<input checked="" type="checkbox"/>
Expenditure Required														
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Account No. (Description)														
Finance Approval	<input checked="" type="checkbox"/>													
City Manager's Recommendation	Provide clear direction to staff regarding whether or not the majority of the City Council supports moving forward with the next step in the process of evaluating a possible Route Transfer, which is informing and educating the public.													

SUMMARY STATEMENT

Background: On July 8, 2010, the City received a letter from John Halikowsky, Director of the Arizona Department of Transportation (ADOT), stating that unless the City Council passed a resolution by August 15, 2010, directing staff to enter into negotiations with ADOT for a Route Transfer, and signing a Route Transfer agreement by January 15, 2011, it was going to proceed with the installation of continuous roadway lighting on SR 89A in West Sedona.

Previous meetings between ADOT staff and City officials to discuss alternatives to continuous roadway lighting with ADOT retaining ownership of SR 89A, were unsuccessful as ADOT was not willing to consider any alternatives.

On August 13, 2010, the City Council adopted a resolution directing staff to negotiate with ADOT on a possible route transfer. The City Council also approved a contract with CivTech Engineering to evaluate possible daytime and nighttime safety alternatives and costs in lieu of continuous roadway lighting, and to review the ADOT Route Transfer Study for thoroughness and accuracy. As part of a comprehensive review of the possible Route Transfer, the City Council directed staff to evaluate the potential availability of federal and state funding that would be available for funding road maintenance and improvements, should the City approve the Route Transfer.

The purpose of this agenda item is to report back to City Council on these three issues and to receive direction regarding the next step in the process.

A. CivTech Engineering Study of SR 89A in West Sedona

As part of the comprehensive analysis of the a possible transfer of SR 89A, the City retained CivTech Engineering in August 2010 to develop and evaluate conceptual alternatives to continuous roadway lighting (CRL), as an approach to addressing pedestrian, vehicular, and bicycle safety issues along SR 89A between Upper Red Rock Road and Forest Road. The consultant reviewed crash data, various standards, ADOT studies, and City documents to understand the SR 89A environment and the nature of the problems along the roadway. CivTech determined that the root cause of safety issues along the SR 89A corridor was the random occurrence of pedestrian and bicycle crossings. Throughout the 2-mile corridor, between Airport Road and Dry Creek Road, crossings occur at driveways and un-signalized intersections. Redirecting these crossings to signalized intersections and proposed enhanced crossings would place these crossings at locations that meet driver expectations.

To improve safety, CivTech recommended, in its Draft Final Report, a minimum safety improvements program estimated to cost on the order of \$2 million. As called out for in the scope of work with CivTech, the final report will be completed after making a presentation to the City Council. The recommended minimum program includes:

- ❖ Installation of the warranted signal at Andante Drive
- ❖ Installation of marked bicycle lanes per the MUTCD. (Municipal Uniform Traffic Control Devices)
- ❖ Continuous raised medians, 6 inches in height, with anticipated median breaks at approximate ¼ mile breaks.
- ❖ A pedestrian barrier constructed throughout the length of the median to preclude random pedestrian crossings.
- ❖ Installation of guidance signage to direct pedestrians to protected crossings in conjunction with the barrier. Without the barrier the issue of random crossings will not be resolved and regardless of other countermeasures implemented, the continuous roadway lighting would be needed to identify random crossing pedestrians and bicycles at nighttime.

❖ Enhanced Pedestrian Crossings that include:

- Highly visible and durable crosswalk markings.
- Pedestrian activated warning light system, such as rapid flashing beacons, the HAWK pedestrian beacons or in pavement crosswalk lighting.
- Median refuge area for pedestrians and bicyclists.
- Pedestrian activated crossing with countdown LED pedestrian signals.
- Overhead crosswalk lighting that meets dark sky compliant lighting requirements.
- A speed reduction effort with extra enforcement, automated enforcement or “Your Speed Is” signing.
- Advance warning signs and advance stop bar.

The minimum recommended length of the installation of the above recommended medians and crossings is between Andante Drive and Rodeo Road which is 1500 feet long, and between Mountain Shadows Drive and Soldier Pass Road which is 2200 feet long. This would provide protection to the two of the three highest areas of pedestrian and bicycle crossing activity at other than existing signalized intersections. The recommended minimum cross section that could be constructed within the existing roadway prism includes a 12 foot raised median with 10 foot left turn lanes, four 11 foot through lanes and 4 foot striped bike lanes. Although the recommended width of bicycle lanes is 5 to 6 feet, 4 feet is allowed where available width is restricted.

CivTech also recommends traffic modeling of proposed median system to determine effects on the corridor prior to planning and design.

The full CivTech report is posted on the City website (and was posted on Friday, November 12 to provide time for the public to review the document), while the executive summary is included with this memorandum.

B. Negotiations with ADOT on the Proposed Terms of a Route Transfer

Formal negotiations began in late August 2010 between the ADOT negotiating team and City staff and since that time, five formal meetings have been held and numerous telephone conferences and email exchanges have taken place as part of the negotiations. The City negotiating team believes that the financial terms of a possible route transfer outlined below are fair and reasonable and reflect good faith negotiations by both the City and ADOT. The City staff recommends the following terms be accepted should the City Council decide to proceed with a route transfer (on the following page to keep the chart together).

**Sedona SR 89A Possible Route Transfer
Terms of Financial Agreement**

Element	Original ADOT Offer	Negotiated Amount	Difference
Pavement Preservation	\$4,400,000	\$4,400,000	
Traffic Signal – Andante	\$400,000	\$400,000	
Operations & Maintenance	\$750,000	\$1,125,000	\$375,000
Safety Improvements	\$2,750,000	\$2,800,000	\$50,000
Rockfall & “Other”	\$783,500	\$1,094,000	\$310,500
Other Improvements		\$1,996,500	\$1,966,500
Future Overlay Work		\$3,400,000	\$3,400,000
Transportation Enhancement Project		\$250,000	\$250,000
Total	\$9,083,500	\$15,435,500	\$6,352,000

As shown above, the total amount negotiated for a possible route transfer is \$15,435,500. The \$15,435,500 will be provided through a cash contribution of \$8,010,150, and ADOT Federal funds and matches for projects totaling \$7,402,550. The cash contribution will be provided in two payments. The first payment of \$1,375,000 would be made at the time of the signing of the agreement, and the second payment of \$6,635,150 would be made by June 30, 2011. The ADOT Federal monies and matches would be split between the Pavement Preservation Project, the Andante Traffic Signal, the ADOT Safety Improvement Project, and the Transportation Enhancement Project. The details of the Financial Agreement are included in the attachments to this report.

The timeline for the ADOT commitments are as follows:

1. ADOT will provide the City \$1,375,000 in cash at the signing of the agreement, estimated to be February 28, 2011;
2. Ownership of SR 89A within the route transfer limits would transfer to the City with the exception of identified work limits at Andante;
3. By June 30, 2011, ADOT would provide the City \$6,635,150 in cash;
4. By June 30, 2011, ADOT would advertise the traffic signal project at Andante (\$400,000);
5. Upon final construction acceptance, ownership of SR 89A within the Andante work limits would transfer to the City;
6. No later than February 1, 2013, ADOT would advertise a pavement preservation project covering the area approximately between Airport Road and Dry Creek Road (\$4,400,000);
7. No later than June 30, 2015, ADOT would advertise one Safety Improvement Project within the route transfer limits (\$2,800,000).

Some of the projects for which ADOT is providing funding assume that some of the project costs would be the responsibility of the City. The estimated cost of the City’s share is \$4,863,000. Of this total, approximately \$3,400,000 is estimated to be the City’s share of a future overlay. However, the City’s only restriction on the use of all of the ADOT funds is that the funds must be spent for transportation-related purposes within the corridor. Therefore, the timing of the projects is entirely up to the City, and should the City decide to construct

alternate transportation projects, or decide that some projects may not necessary; it has the flexibility to do so.

Should the City Council decide to move forward with a Route Transfer, the City staff recommend that all cash provided by ADOT be deposited in restricted interest-bearing accounts that can only be used for SR 89A transportation maintenance and improvement costs. Further, staff recommends that the annual current amount spent by the City for maintenance costs, associated with SR 89A (approximately \$35,000) also be deposited in the same restricted accounts. Each year during the budget preparation process, staff would evaluate the funding needs for maintaining and improving 89A for the upcoming year, and request that amount to be approved by City Council out of the 89A restricted funds. It would be staff's intention to manage the restricted funds in such a manner as to maximize the interest earnings from the balances. The earnings could be applied to future costs associated with SR 89A.

Currently, the City earns an average of 2% on its investments. Assuming that the \$3,400,000 that ADOT is providing for a future overlay remained in a restricted account for fifteen years earning 2%, it would be worth approximately \$4,600,000 at the end of the fifteen years.

For the next fifteen years, based on current information, most of the maintenance and improvement costs associated with a route transfer of SR 89A would be covered by the cash and federal funds provided by ADOT. Other costs over the next fifteen years not covered by ADOT could be managed through interest earnings from the 89A restricted accounts, and additional periodic contributions to the restricted accounts that can be determined during the annual budget process. Beyond approximately fifteen years, the City will be solely responsible for the annual ongoing maintenance. The funds that ADOT would provide for a future overlay as part of the Route Transfer will cover a portion of the costs related to an overlay at the end of the fifteen year timeframe. The remaining cost of the future overlay will be the responsibility of the City and is estimated to be in the range of \$3,400,000.

An outstanding issue yet to be resolved between ADOT and the City concerns the fact that future funding under any agreement is subject to the discretion of the ADOT Board. Because future boards cannot be bound by the funding commitments of present boards, there is some uncertainty about the availability of the federal funds and cash payments for projects that ADOT has committed to provide over the next five years. ADOT and City representatives have discussed several alternatives for addressing the issue, including a liquidated damages provision if funding is not forthcoming, or even reversion of the roadway back to ADOT. This issue needs to be resolved to the satisfaction of the City before it decides whether or not to move forward with the Route Transfer.

C. Federal and State Funding Availability Background:

As part of Council's consideration of a route transfer for SR 89A, staff is providing this financial overview of the availability of Federal and State Transportation Funds. The overview provides information about the distribution formulas and requirements for use of those funds, which impacts their availability.

There are limited funds available for Transportation improvements statewide. The Arizona Department of Transportation (ADOT) has two basic sources of funding for transportation –

Federal and State. Both ADOT and the Federal Highway Administration (FHWA) have roles in the disbursement and use of funds.

FHWA – Arizona Division – The Division is responsible for passing through approximately \$700 million in annual Federal aid to the Arizona State Department of Transportation and the Arizona Metropolitan Planning Organization (MPO) through a variety of formula, grant, and earmark programs. The agency performs oversight and monitors the State's Department of Transportation and MPO's programs and projects and ensures compliance of federal laws and regulations.

ADOT – The Department is responsible for distributing the Federal Funds apportioned throughout the state according to the federal requirements and the state mandates for formula funding. ADOT also distributes its state funds based on agreed-upon formulas or through competitive grant programs that are statewide.

Congress sets the funding distributions and eligibility standards for federal funds. The funding distributions for state funds are established by the State Legislature and State Constitution.

Conclusion:

Other than the funding that the City already receives from the state, and already uses for improvements to City-owned streets (Highway User Revenue Fees,- HURF) and general operations (Vehicle License Tax, VLT), all other funding sources available are distributed based on competitive processes with no guarantees for funding and with limits on availability. As you will see within the rest of this communication, the only assurances the City has for future Federal/State funding of SR89A as a City-owned roadway are the funds guaranteed as part of the current route transfer negotiations with ADOT. Receipt of the roadway is not likely to create much, if any, advantage for competition based on the distribution methods.

Federal Funding Sources:

Federal Aid for highways is provided to each state for its own distribution as part of the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU formerly TEA-21). This funding is provided through the Multi-Year Highway Reauthorization Bill approved by Congress. Federal funding to states is apportioned by program category on a formula basis. Each state is able to then allocate its funds (by category) based on parameters set by the FHWA and the State. Matching Requirements (Local Match) apply to most categories of Federal funds and in general, Federal funds distributed to Arizona must be matched at the rate of 5.7%.

The SAFETEA-LU was enacted August 10, 2005 as Public Law 109-59. It authorizes the Federal surface transportation programs for highways, highway safety, and transit for the five-year period 2005-2009. It has been extended twice beyond 2009 due to the federal government's inability to pass new legislation authorizing a new multi-year authorization.

There are a number of categories of Federal funds comprising the Federal-aid program. The funds are provided from the Federal Fuel Tax, Vehicle Use Tax, Truck Sales Tax and other smaller sources. The funds provided are subject to restrictions by category.

Arizona's apportionment is distributed according to Federal Law to the following Categories:

Interstate Maintenance – 21%
Equity Bonus – 10%
National Highway System – 25%
Other – 19% (includes HSIP, TEP and SRTS)
Bridge – 4%
Surface Transportation (STP) – 21%

Each category has various sub-programs and all of the programs and categories have specific requirements for use based on federal law.

Based on the distribution formulas and federal requirements for eligibility. The funds that the City could seek for SR 89A are limited for eligible use to the Surface Transportation Program and "Other." Other funds include the Highway Safety Improvement Program (HSIP), Transportation Enhancement Program (TEP), and Planning and Safety Routes to School Program (SRTS). Within these areas, all funding is competitive either through the state or NACOG. The City could compete for:

- Transportation Enhancement Program Funds (TEP) (There is a cap of \$1,000,000 per state project where the project is located at least 75% on a state route. The cap drops to \$750,000 per project for a local route). The purpose of these funds is to strengthen the cultural, aesthetic, and environmental aspects of the Nation's inter-modal transportation system. The TEP is approved competitively with projects across the state through a state-wide committee.
- HSIP Funds (preference to accident history, spot safety, and low cost of improvement and may require up to a 10% local match). The purpose of these funds as required by the federal government is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads. Approximately 70% is distributed to state roads and 30% to local areas. The Northern Arizona Council of Governments (NACOG) area receives about \$600,000 in local safety funding for rotated use among the various counties that are part of NACOG (Apache, Coconino, Navajo, and Yavapai) on an annual basis. Yavapai County's turn is in 2015. The funding process is competitive with the Verde Valley Transportation Planning Organization (VVTPO) determining the Yavapai projects that will receive funding.
- Safe Routes to School (limited funds available for limited purpose – SR 89A not highly competitive, no match required). The purpose of these funds as required by the federal government is to enable and encourage children, including those with disabilities to walk and bicycle to school through programming and new facilities (sidewalks, traffic calming, crosswalks, etc. within the vicinity of schools – vicinity is within 2 miles from a K-8 level school, and that provide better access for school children). The grants are competitive statewide and are not sub-allocated to regions for distribution. All state, local and regional agencies including non-profits are eligible in the competitive process and compete with each other from across the state.
- STP Funds (distributed through VVTPO for projects with a preference to projects on the approved Transportation Improvement Project list – requires a local match). The purpose of these funds is to provide flexible funding that may be used by States and localities for projects on any Federal-aid highway, including the National Highway System, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and

facilities. Per federal law, Arizona must provide approximately 44% of these funds as a sub-allocation to the Maricopa and Pima Associations of Governments and those funds are not available to ADOT. Approximately 11% of the funds are distributed to the rural Councils of Governments and Municipal Planning Organizations, which program funds per their approved Transportation Improvement Programs. All members of the VVTPO compete for the limited funds that come to the local Council of Governments. Funding for VVTPO is approximately \$420,000 annually and is for construction of projects with up to 20% of awarded funds eligible for design.

State Funding Sources:

The sources of funds for state distribution for transportation are primarily registrations, vehicle license tax, motor carrier fees and fuel taxes. The sources are distributed to fund counties, cities, ADOT (which includes the Maricopa Association of Governments and Pima Association of Governments regional projects as required), ADOT, Department of Public Safety, Motor Vehicle Division, and Department of Administration.

The State provides transportation funds to cities and towns throughout the state through distribution of the Vehicle License Tax (VLT) and Highway User Revenue Fund (HURF). VLT is funded through the license tax. HURF is funded through the Gas Tax, Fuel Tax, Vehicle Registration, Motor Carrier Fees and approximately half of the Vehicle License Tax.

1. VLT Distribution: Cities and towns receive 24.59% of the VLT. The fund is then distributed to individual cities and towns based on incorporated population. The remainder is distributed to the HURF fund (44.99%), County General Fund (24.59%), and Counties/Highway Purposes (5.83%).

The City of Sedona already receives its portion of the VLT based on its population relative to the rest of the state. The City should receive approximately \$600,000 in the current fiscal year and that is currently budgeted as revenue in the general fund.

2. HURF Distribution: Cities and towns receive 27.5% of the HURF fund. The fund is then distributed to individual cities and towns based $\frac{1}{2}$ on its incorporated population and one half on the basis of county of origin of gasoline sales and city or town population within each county. The remainder is distributed to the State Highway Fund which includes dedicated funding to Maricopa and Pima Counties (50.5%), Cities over 300,000 population (3%) and Counties (19%).

The City of Sedona already receives its portion of the HURF based on the formula. The City should receive approximately \$787,000 in the current fiscal year and that is currently budgeted as revenue in the streets fund. HURF funding is restricted solely to highway (streets) purposes per the State Constitution.

Federal Appropriations (Earmarks):

One final option would be for the City to continue to pursue federal earmarks for its transportation program. Earmarks are often referred to as "Pork Barrels" in the Omnibus bills that they are approved within. Sedona has pursued funding for transportation projects for the past four years and has not been successful. As you know, our Senators (McCain and Kyl) are outspoken against earmarks and do not support them even if they make it through

committee. In addition, a total ban on earmarks has emerged as a major policy item for the lame duck congress to consider over this next session. The competition is immense and involves Cities, Towns, Counties, Universities, Non-Profits, Hospitals etc., throughout the nation.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): 1) Move forward with the next step in the process to inform and educate Sedona residents about a possible Route Transfer.

2) Do not move forward with any further discussions or study of a possible Route Transfer of SR 89A in West Sedona if the majority of City Council members are not supportive of a Route Transfer. This action will result in ADOT moving forward with installation of continuous roadway lighting in 2011.

MOTION

I MOVE TO: No motion is necessary. However, City staff is requesting that the majority of the City Council provide clear direction regarding its support or lack of support for moving forward with the next step in the process, which is to inform and educate the community regarding a possible Route Transfer.

Sedona 89A Financial Agreement

Negotiation Points



Sedona 89A Financial Agreement

Element	Original Amount	Final Amount	Difference	Explanation
Pavement Preservation - 3.3 Miles	\$ 4,400,000	\$ 4,400,000	\$ -	
Traffic Signal at Andante	\$ 400,000	\$ 400,000	\$ -	
Operations and Maintenance	\$ 750,000	\$ 1,125,000	\$ 375,000	Fifteen Years vs. Ten
Safety Improvements	\$ 2,750,000	\$ 2,800,000	\$ 50,000	Increase in Lighting Project Estimate
Rockfall and "Other"	\$ 783,500	\$ 1,094,000	\$ 310,500	See Schedule A
Other Identified Improvements	\$ -	\$ 1,966,500	\$ 1,966,500	See Schedule B
Future Overlay Work	\$ -	\$ 3,400,000	\$ 3,400,000	Agreed to Pay 50% of One Future Overlay Job
Subtotal	\$ 9,083,500	\$ 15,185,500	\$ 6,102,000	
Transportation Enhancement Project	\$ 250,000	\$ 250,000	\$ -	
Potential Total	\$ 9,333,500	\$ 15,435,500	\$ 6,102,000	

of Miles Transferred 4.95
 Mile 3,118,283

Schedule A Rockfall and "Other"

Element	Total Amount	Original ADOT Share	Final ADOT Share	Difference	Explanation
Rock Fall Mitigation	\$692,000	\$346,000	\$519,000	\$173,000	Agreed to 75% Participation versus 50%
Dry Creek Widening	\$275,000	\$137,500	\$275,000	\$137,500	Agreed to 100% Participation
Dry Creek Drainage	\$600,000	\$300,000	\$300,000	\$0	No Change - 50% Participation
Total	\$ 1,567,000	\$ 783,500	\$ 1,094,000	\$ 310,500	

Schedule B

Other Identified Improvements

Element	Estimated Cost	ADOT Share	ADOT Cost	Explanation
Rolling Hills Intersection Improvement	\$ 617,000	100%	\$ 617,000	R/W Costs Only - Construction Est. of \$1.5 - \$2.0 million
Soldier Pass Road Slope	\$ 41,700	100%	\$ 41,700	
Coffee Pot Intersection Improvement	\$ 55,000	100%	\$ 55,000	
Southwest Drive Drainage	\$ 425,000	50%	\$ 212,500	
Coffee Pot Storm Drainage	\$ 1,275,000	50%	\$ 637,500	
View Drive Storm Drainage	\$ 280,000	50%	\$ 140,000	
Stormwater Quality Improvements	\$ 90,000	100%	\$ 90,000	
"Prior Rights"	\$ 172,800		\$ 172,800	
Total	\$ 2,956,500		\$ 1,966,500	

Schedule C

Requests Not Agreed To

Element	Estimated Cost	ADOT Share	ADOT Cost
Southwest Drive Signal	\$ 275,000	67%	\$ 183,000
Foothills Traffic Signal	\$ 375,000	50%	\$ 187,500
Closure of Bristlecone Pines Road	\$ 215,000	37%	\$ 80,000
Total	\$ 865,000		\$ 450,500

Other Requests:

- Replace current lights at "Y" and Brewer roundabouts with lower light poles
- Remove existing traffic lights and replace with roundabouts including any necessary ROW (\$8,000,000)
- Install medians on entire length (\$3,300,000 million)
- Install pedestrian barriers (\$871,200)
- Install crosswalks (\$1,500,000)
- Provide 65% funding for an overlay 15 years in the future (\$4,420,000)
- Provide maintenance funding for 30 years (2,250,000)
- Provide 65% funding for an overlay 30 years in the future (\$4,420,000)

Agreed Upon Financial Proposal for Sedona Route Transfer

ADOT Staff and Sedona City Staff have agreed to jointly recommend to the Arizona State Transportation Board and the Sedona City Council the following financial terms and conditions relative to a possible route transfer of SR 89A

Transfer Limits: All facilities within the limits of the Sedona Route Transfer Study

- 1. Pavement Preservation – ADOT will fund 100% of the cost of the currently planned pavement preservation job from MP 370.8 to MP 374.1.**
Estimated ADOT Federal Aid - \$4,149,200
City Match Funds - \$250,800 *
- 2. New Traffic Signal – ADOT will fund 100% of the cost of a new traffic signal at Andante.**
Estimated ADOT Federal Aid - \$377,200
State Match Funds - \$22,800
- 3. Operations and Maintenance – ADOT will agree to make one or more cash contributions totaling \$1,125,000 to assist the City in funding Operations and Maintenance costs for the transferred facilities.**
Total ADOT Cash Contribution - \$1,125,000
State Funds
- 4. City Identified Improvements (Schedules A and B) – ADOT will agree to make one or more cash contributions totaling \$3,060,500 to the City to fund ADOT's share of estimated costs.**
Total ADOT Cash Contribution - \$3,060,500
HELP Loan Funds
- 5. New Alternative Safety Improvements – ADOT will fund up to \$2,800,000 of City specified safety improvements within the transferred corridor in one single ADOT-administered federal aid project.**
ADOT Federal Aid - \$2,640,400
City Match Funds - \$159,600 *
- 6. Future Pavement Preservation Work – ADOT will agree to make one or more cash contributions totaling \$3,400,000 for future pavement preservation work within the transferred corridor.**
Total ADOT Cash Contribution - \$3,400,000
HELP Loan Funds
- 7. Future Transportation Enhancement Project – ADOT will use its best efforts to support the approval of up to \$250,000 of Transportation Enhancement funds for a City project within the transfer limits. ADOT will support this funding from local Enhancement Funds. If unsuccessful, the Department will**



recommend to the State Transportation Board that the funding be approved through the Board's Projects of Opportunity sub-program.

Local or ADOT Federal Aid - \$235,750

City Match Funds - \$14,250 *

*** All City Match Funds will be given to the City as part of the payment under item #E below.**

Total Estimated ADOT Commitment = \$15,435,500



Proposed Terms

- A. The transfer of the proposed facilities would take place immediate upon the execution of a proper contractual agreement between the City, ADOT and the Board, with the exception (at the request of the City) of a mutually agreeable area surrounding the Andante traffic signal project (referenced in #C below), which will transfer to the City immediately upon final construction acceptance of the Andante traffic signal project.**
- B. If the City Council requests, the Pavement Preservation job (Item #1) will advertise no later than February 1, 2013.**
- C. If the City Council requests, the traffic signal at Andante will be separated from the Pavement Preservation job (Item #B above) and the Department will advertise the signal project by June 30, 2011, as long as the route transfer agreement is signed by February 28, 2011.**
- D. At the date of the transfer, ADOT will transfer to the City \$1,375,000 representing 100% of the agreed upon Operating and Maintenance costs of \$1,125,000 (Item #3) plus \$250,000 for City Identified Improvements (Item #4).**
- E. The Department will transfer to the City by June 30, 2011, \$6,635,150 representing the Department's remaining commitment for City Identified Improvements (Item #4), Future Pavement Preservation work (Item #6) and City Match Funds (Items #1, 5 and 7).**
- F. The City will develop a plan to construct, using federal funds and federal processes, one major safety improvement project within the limits of the transferred facility (Item #5). The Department will work with the City to develop a scheduled start time for the project, so long as the project is advertised by June 30, 2015. The Department will commit up to \$2,640,400 of state federal aid funding and \$159,600 of City match (paid to the City by the State in advance). Any cost above \$2,800,000 will be borne by the City. The \$2,800,000 can be used for any federally approved purpose related to the safety project, including planning, design and construction.**
- G. ADOT will pay \$3,400,000 for future pavement preservation work within the route transfer limits (Item #6).**
- H. ADOT will use its best efforts to support the approval of up to \$250,000 of Transportation Enhancement project funds for the City (Item #7). If the City is unsuccessful in getting this project funded with Local Transportation Enhancement funds, ADOT will request the State Transportation Board to fund the amount from its "Projects of Opportunity" sub-program. The \$250,000 represents a total funding level for this commitment, including both federal funding and City match (which will be paid by the state to the City in advance).**
- I. The City will be required to place any state funds transferred to the City for Operations and Maintenance, City Identified Improvements, Future Pavement Preservation Work and City Match funds (totaling \$8,010,150) into a separate City fund. All such funds will be restricted to use on facilities transferred to the City under the route transfer agreement.**



Reconciliation of Payment Sources

ADOT Federal Aid:

Item #1	\$4,149,200	
Item #2	\$ 377,200	
Item #5	\$2,640,400	
Item #7	<u>\$ 235,750</u>	
Sub-Total		\$7,402,550

ADOT Federal Aid Match:

Item #2	<u>\$ 22,800</u>	
Sub-Total		\$ 22,800

ADOT Cash Contribution:

Item #1	\$ 250,800	
Item #3	\$1,125,000	
Item #4	\$3,060,500	
Item #5	\$ 159,600	
Item #6	\$3,400,000	
Item #7	<u>\$ 14,250</u>	
Sub-Total		<u>\$8,010,150</u>
Payment #1	\$1,375,000	
Payment #2	\$6,635,150	

Grand Total	\$15,435,500
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Timeline of ADOT Commitments for Proposed 89A Route Transfer

All dates assume closing the Route Transfer Agreement on February 28, 2011. Some dates may change based on actual date of Route Transfer.

- 1. February 28, 2011 - ADOT would transfer to the City \$1,375,000. Ownership of 89A within the Route Transfer limits would transfer to the City, with the exception of identified work limits at Andante.**
- 2. By June 30, 2011 - ADOT would transfer to the City \$6,635,150.**
- 3. By June 30, 2011 - ADOT would advertise the traffic signal project at Andante. Upon final construction acceptance, ownership of 89A within Andante work limits would transfer to the City (Item #2).**
- 4. No later than February 1, 2013 - ADOT would advertise a pavement preservation project covering the area between MP 370.8 and MP 374.1 (Item #1).**
- 5. No later than June 30, 2015 - the Department would advertise one Safety Improvement job within the Route Transfer limits (Item #5).**
- 6. No later than June 30, 2015 - the Department would assist in the acquisition of \$250,000 of Transportation Enhancement funds (Item #7).**

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89A



ADOT and CITY OF SEDONA

State Route 89A

Route Transfer

November 23, 2010

City of Sedona Council Meeting



State Route 89A Route Transfer



Topics for Today's Discussion:

- Board's Route Transfer Process
- Consideration of a Route Transfer
- Location and Financial Terms of Route Transfer
- Next Steps to consider Route Transfer

State Route 89A Route Transfer



- **The Transportation Board has the authority to remove routes from the state highway system (refer to ARS 28-7209)**
- **Specific Requirements of the Board include:**
 - *Cooperate with an affected jurisdiction*
 - *Recognize the financial and administrative impacts of the changes*
 - *Pavement is in such condition that surface treatment and/or major maintenance is not required for at least five years, unless agreed upon by the affected jurisdiction*

State Route 89A Route Transfer



- In response to fatal pedestrian crashes, ADOT launched studies of SR 89A at the request of the City of Sedona
- City of Sedona and ADOT disagreed on the implementation of recommended safety improvements
- ADOT conducted SR 89A Route Transfer Study

State Route 89A Route Transfer



- **Sedona City Council Resolution 2010-13 approved on May 25, 2010 opposing continuous roadway lighting on SR 89A:**

“A resolution of the Mayor and City Council of the City of Sedona, Arizona, opposing continuous roadway lighting along SR 89A and supporting roadway improvements that provide the highest level of day and nighttime roadway safety.”

State Route 89A Route Transfer



- **Sedona City Council Resolution 2010-22 approved on August 10, 2010 authorized City staff to enter into fact-finding and good-faith negotiations with ADOT for a route transfer:**

RESOLUTION NO. 2010 - 22

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, AUTHORIZING AND DIRECTING CITY REPRESENTATIVES TO PERFORM DUE DILIGENCE FACT-FINDING AND THEN ENTER INTO GOOD-FAITH NEGOTIATIONS WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION TO DETERMINE THE TERMS AND CONDITIONS OF A ROUTE TRANSFER OF PORTIONS OF STATE ROUTE 89A.

State Route 89A Route Transfer



City of Sedona hired CivTech to:

- **Evaluate the SR 89A Route Transfer Study**
- **Identify alternative safety improvements and costs**
- **Report findings to Council**



State Route 89A Route Transfer

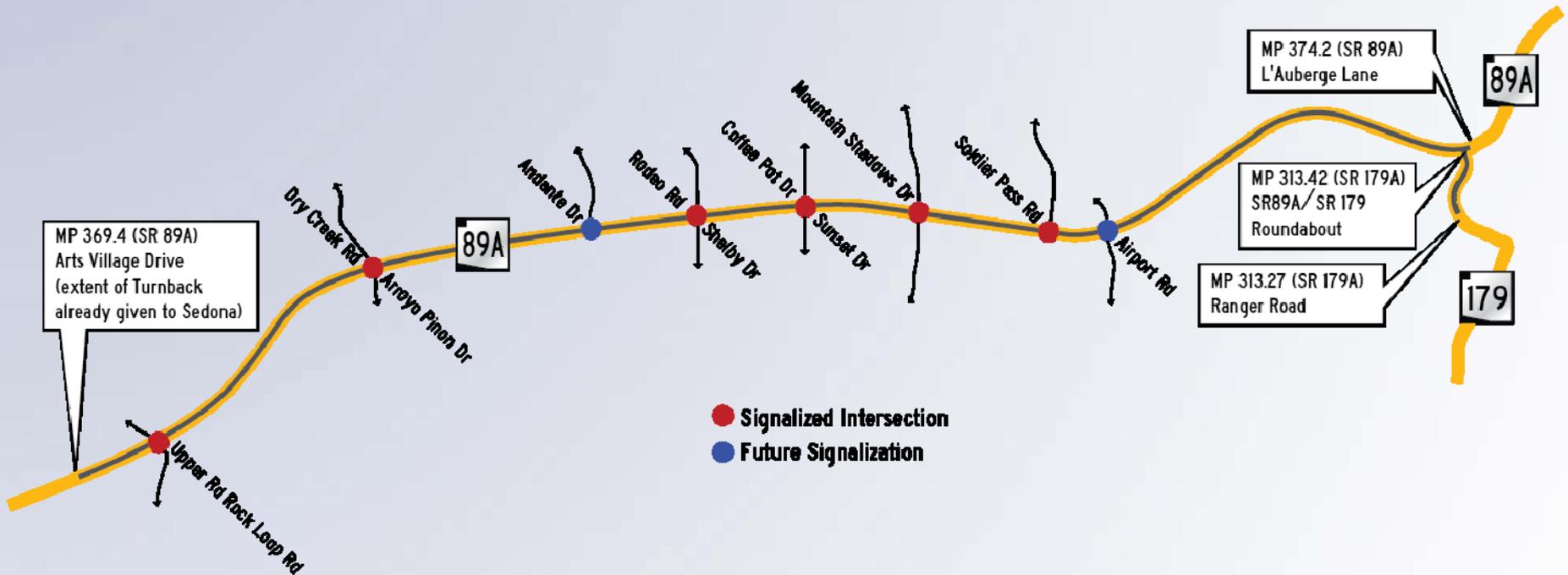


- **City of Sedona and ADOT staff have met regularly to negotiate the terms of the route transfer**
- **Reached agreement on the location and financial terms of the route transfer**
- **Developed timeline for consideration by the State Transportation Board and the Sedona City Council**

Route Transfer Location



SR 89A/SR 179 Study Segment



State Route 89A Route Transfer



Financial Terms of the Route Transfer:

- **Pavement Preservation – ADOT will fund 100% of the cost of the currently planned pavement preservation job on SR 89A between MP 370.8 and 374.1**
- **New Traffic Signal – ADOT will fund 100% of the cost of a new traffic signal on SR 89A at Andante**
- **Operations and Maintenance – ADOT will make cash contributions totaling \$1.125 million to assist the City with Operations and Maintenance costs for the transferred facilities (equals \$75,000 per year, 15 years)**

State Route 89A Route Transfer



- **City Identified Improvements–**
ADOT will make cash contributions totaling \$3,060,500 to the City to fund ADOT's share of estimated costs
- **Alternative Safety Improvements –**
ADOT will fund up to \$2.8 million of City specified safety improvements within the transferred corridor through one single ADOT-administered federal aid project

State Route 89A Route Transfer



- **Future Pavement Preservation Work –**
ADOT will make cash contributions totaling \$3.4 million for future pavement preservation work within the transferred corridor (est. 50% of cost in today's dollars)
- **Future Transportation Enhancement Project –**
ADOT will support the City of Sedona's request to receive \$250,000 in Transportation Enhancement federal funds for a City project within the transfer limits

State Route 89A Route Transfer



Timeline of Proposed SR 89A Route Transfer based upon a signed agreement by February 28, 2011:

- **February 28, 2011** - ADOT would transfer to the City \$1.375 million. Ownership of SR 89A within the Route Transfer limits would transfer to the City, with the exception of the traffic signal work limits at Andante
- **By June 30, 2011** - ADOT would advertise a construction project to install a traffic signal at Andante
- **By June 30, 2011** - ADOT would transfer to the City \$6,635,150 to cover the balance of City identified improvements and future pavement preservation work

State Route 89A Route Transfer



- **No later than February 1, 2013 - ADOT would advertise the currently planned pavement preservation project covering the area between MP 370.8 and 374.1 (delayed date at City's request)**
- **No later than June 30, 2015 – ADOT would advertise one Safety Improvement job based upon City specified safety improvements within the Route Transfer limits (delayed date at City's request)**
- **No later than June 30, 2015 - ADOT would support the City of Sedona's application request to acquire \$250,000 of Transportation Enhancement funds**

State Route 89A Route Transfer



Initial offer compared to negotiated offer

**Initial offer to
City of Sedona (7/8/10)
\$9,083,500**

**Negotiated offer by
City of Sedona
\$15,435,500**



What's Next?

89A



- **Approval of City's request for a time extension to February 28, 2011 (approved by ADOT Board on 11/19/10)**
- **City of Sedona completes public process through Council and community meetings (December & January)**
- **ADOT and City of Sedona staff reach agreement on legal documents for route transfer (requires ADOT assurances on availability of future funds in agreement)**

What's Next?

89A



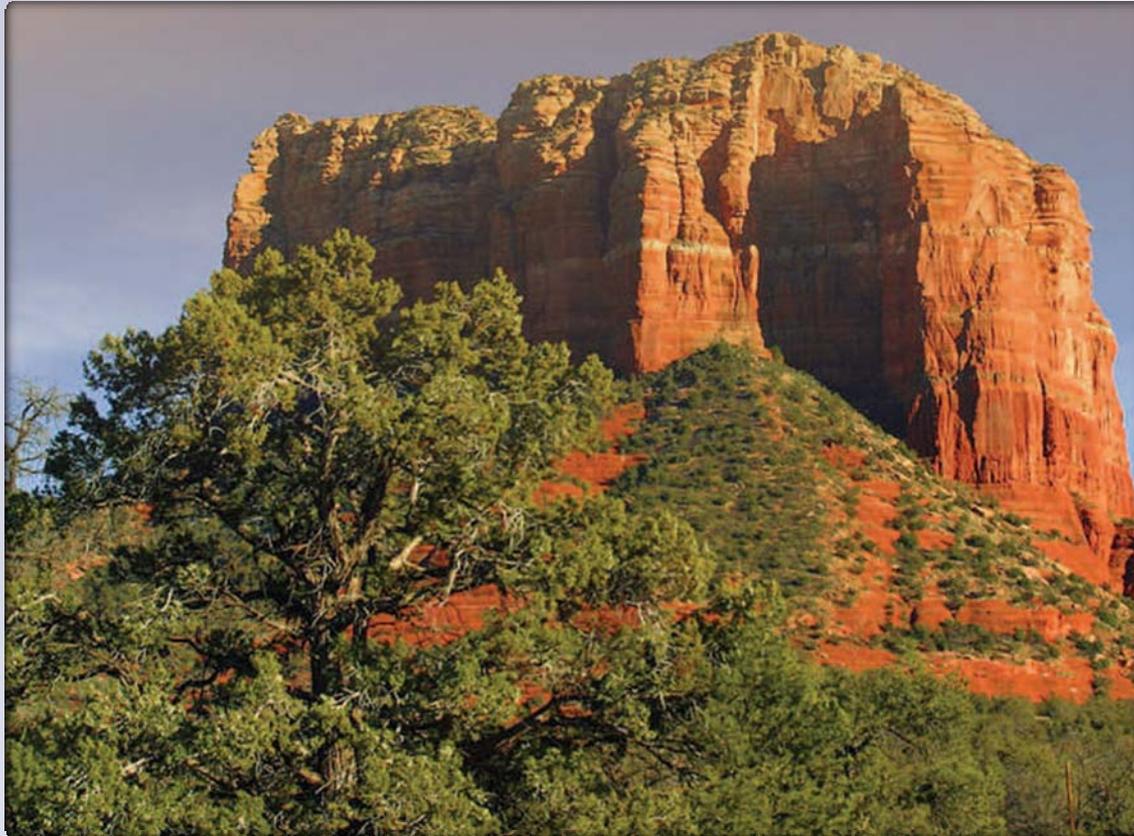
- **ADOT requests State Transportation Board approval of route transfer agreements**
- **City of Sedona staff requests Council approval of route transfer agreements**

City Costs for Route Transfer



- Based on what we know, minimal for next 15 years.
- After 15 years, City assumes full costs for SR 89A.
- Future costs can be managed and planned for by using:
 - Restricted accounts for all ADOT funds;
 - Annual evaluation and possible additions to restricted funds;
 - Prudent fiscal management and investment of funds in restricted SR 89A accounts.

89A



Questions?

ADOT



Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, November 23, 2010, 4:30 p.m.

1. Call to Order/Pledge of Allegiance - Reading of City's Vision

Statement: Vice Mayor Hamilton called the meeting to order at 4:32 p.m. Councilor Ward read the City's Vision Statement.

2. Roll Call: Vice Mayor Cliff Hamilton, Councilor Mark DiNunzio, Councilor Barbara Litrell, Councilor Dan McIlroy Councilor Dennis Rayner, Councilor Mike Ward, Mayor Adams (attending by phone beginning at 5:01 PM)

Staff: City Manager Tim Ernster, Assistant City Manager Alison Zelms, City Attorney Mike Goimarac, Community Development Director John O'Brien, Assistant Community Development director Audree Juhlin, Senior Planner Long-Range Planning Mike Raber, Associate Planner Kathy Levin, Director of Public Works Charles Mosley, Police Commander Ron Wheeler, Community Services Director Andi Welsh, City Clerk Randy Reed.

3. Consent Calendar - Approve

- a. Minutes – November 1, 2010 City Council Water Tank Site Visit.
- b. Minutes – November 9, 2010, City Council Regular Meeting.
- c. Minutes – November 10, 2010, City Council Special Meeting.
- d. **AB 1124 Approval to accept a \$50,000 Public Safety Stabilization Program (PSSP) Grant award from the Governor's Office of Economic Recovery (GOER).**

Motion: Councilor Ward moved to approve the consent calendar as presented. Seconded by Councilor Rayner. Vote: Motion carries unanimously with six (6) in favor and zero (0) opposed.

4. Appointments

- a. **AB 1130 Discussion/possible action regarding the appointment of a council member as liaison with the Budget Oversight Commission.**

Motion: Councilor Litrell moved to appoint Councilor DiNunzio as liaison with the Budget Oversight Commission. Seconded by Councilor Hamilton. Vote: Motion carries unanimously with six (6) in favor and zero (0) opposed.

- b. **AB 1132 Discussion/possible action regarding appointment of Historic Preservation Committee members.**

Motion: Councilor Ward moved to appoint Brynn Burkee Unger, Charles Schudson, and Jane Grams to the Historic Preservation Commission to fill three, 3-year terms expiring on November 30, 2013. Seconded by Councilor Rayner Vote: Motion carries unanimously with six (6) in favor and zero (0) opposed.

5. Community Plan Update-Report/Discussion

An update was provided by Mike Raber, Senior Planner Long-Range Planning.

6. Summary of Current Events

A summary of past and future current events was given by the Council Members.

**7. Reports/Discussion on Council Assignments
(Moved to end of Agenda)**

8. Public Forum

No public input.

9. Awards & Proclamations

a. Proclamation declaring Saturday, December 11, 2010 Loving Bowls Day in Sedona.

Motion: Councilor DiNunzio moved to approve the Proclamation for the Loving Bowls Day. Seconded by Councilor McIlroy. Vote: Motion carries unanimously with six (6) in favor and zero (0) opposed.

**b. Presentation of the Arizona State Planning Association Awards.
(Presented by John O'Brien)**

10. Regular Business

(Mayor Adams joined by phone at 5:01 p.m.)

a. AB 1127 Presentation/discussion/direction on various aspects of a proposed route transfer of portions of State Route 89A within the City Limits, including but not limited to the following:

a. Presentation/discussion concerning a report by CivTech Engineering on alternative safety enhancements and other possible enhancements to SR89A.

- b. Presentation/discussion concerning negotiations with the Arizona Department of Transportation (ADOT) on the terms of a proposed route transfer.**
- c. Presentation/discussion concerning the availability of state and federal funding sources for ongoing operational costs of SR 89A**

Introduction by City Manager Tim Ernster.

Presentations by:

Charles Mosley, Public Works Director.

Dawn Cartier and David Duffy, CivTech Engineering.

Break: 6:27 – 6:40 p.m.

Tim Ernster, City Manager.

John McGhee, Executive Director Arizona Department of Transportation.

Vice Mayor Hamilton took it to the Public at 8:19 P.M.

Doug Copp, Sedona, stated highway laws need to be enforced.

Terrie Frankel, Sedona, spoke against SR 89A route transfer.

Ron Volkman, spoke against ST 89A route transfer.

James Eaton, Sedona, spoke against SR 89A route transfer.

Brought back to Council at 8:30 P.M.

Presentation by Alison Zelms, Assistant City Manager.

Council Discussion.

Direction:

Council directed staff to move forward with the public process, including the potential expenditure of up to \$20,000.

Break 9:06-9:19 p.m.

- b. AB 1069 Discussion/possible action regarding the Verde Lynx transit stops including locations of transit stops, shelters, shelter design and funding.**

Introduction by Tim Ernster, Presentation by Andi Welsh Community Services Director, along with Jeff Meilbeck and Jim Wagoner from Northern Arizona Intergovernmental Public Transportation Authority.

After Council Discussion:

Motion: Councilor Litrell moved to authorize the procurement and installation of seven custom build ACI transit shelters, as recommended by staff with final design to be approved by Council using LTAF funds for the City match. Seconded by Councilor DiNunzio. Vote: Motion carries unanimously with six (6) in favor and zero (0) opposed.

7. Reports/Discussion on Council Assignments

Councilor DiNunzio, Councilor Ward and Councilor Rayner gave updates.

c. Future Meeting/Agenda Items; Discussion Possible Action

Council Budget Retreat will be December 7, 2010 from 11:00 am to 5:00 PM in the Vultee Conference Room.

December 13, 2010 beginning at 4:30 PM the School District and City Council will hold a joint meeting in the Performing Arts Center at Red Rock High School.

Next Council meeting will be December 14, 2010.

December 16, 2010 will be a joint meeting with the Planning and Zoning Commission.

11. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. §38-431.03(A)(3)**
- b. Discussion with legal counsel regarding a claim filed by HFP, Inc., and various individual claimants related to the assessment of the capacity standby fee on undeveloped properties in the Mystic Hills and Indian Cliffs subdivisions per A.R.S .§ 38-431.03(A)(4).**

The Executive Session was moved to the December 14, 2010 Regular City Council Meeting.

- 12. Adjournment:** Vice Mayor Hamilton adjourned the meeting at 10:17 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on November 23, 2010.

Randy Reed, CMC, City Clerk

Date