

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 14, 2022

FROM

BRENDON BIGGS, Director, Department of Public Works – Transportation

SUBJECT

Cooperative Agreement with the City of Needles to Provide County Aid for the Needles Highway Improvement Project

RECOMMENDATION(S)

1. Approve Cooperative **Agreement No. 22-440** with the City of Needles, effective upon execution by both parties through June 30, 2031, for a roadway improvement project on Needles Highway, between David Drive and Not'cho Road in the Needles area; and provide San Bernardino County aid in an estimated amount of \$3,224,200 for the road improvement work within the City limits of Needles.
2. Adopt **Resolution No. 2022-100** determining there is a general San Bernardino County interest in providing San Bernardino County funds in an estimated amount of \$3,224,200 for roadway improvements on the City of Needles' portion of Segment 1C roadway improvement project on Needles Highway in the City of Needles pursuant to Streets and Highways Code section 1680 (Four votes required).

(Presenter: Brendon Biggs, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total estimated cost for the roadway improvements on Needles Highway, from David Drive north to 0.1 mile north of Not'cho Road, in the Needles area (Segment 1C) is \$9,400,000, including the City of Needles' (City) estimated share of \$3,224,200. The City does not have funding for Segment 1C, however, as Segment 1C is a regional project and some Measure "I" funding for this subarea is now available for use, the County wishes to continue the road improvements on Needles Highway. The County proposes to provide County aid to the City in the amount of \$3,224,200 for the City's Segment 1C share of cost, pursuant to California Streets and Highways Code 1680. The \$9,400,000 estimated Segment 1C cost will initially be funded by the County's Gas Tax revenues and the Gas Tax revenue will be reimbursed by Measure "I" 2010-2040 Colorado River Subarea Major Local Highways Program (MLHP) funds in the amount of \$900,000 allocated to the Colorado River Subarea, and federal Surface Transportation Program (STP) funds in the amount of \$8,500,000 that are allocated to the Colorado River Subarea and administered by the San Bernardino County Transportation Authority (SBCTA). Sufficient appropriation is included in the Department's 2021-22 Road Operations budget and will be included in future recommended budgets (6650002000 H15179).

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BACKGROUND INFORMATION

MLHP funds are allocated to MLHP subareas and divided equally among the jurisdictions based on population and road miles and then allocated to projects of a local jurisdiction's choosing. The amount of MLHP funds available to the Colorado River subarea is insufficient to fund a local project as traditional road revenue streams for cities are largely based on population. The annual amount of funds available to the Colorado River Subarea is only approximately \$80,000 per year and due to the City's low population and revenue streams, the County and the City historically have worked together to allocate the subarea's MLHP funds on projects of mutual benefit, rather than dividing the MLHP funds equally.

Federal STP-Local (STP-L) funds are allocated by SBCTA to the Colorado River Subarea for projects on federally eligible roadways. Needles Highway, which runs through the City and County unincorporated area, is a roadway of regional significance. Needles Highway is a priority project because it has become a major north/south route for travelers and goods movement going to and from Interstate 40 between the City, San Bernardino County unincorporated Needles area, and Laughlin, Nevada. Needles Highway needs various improvements to address current traffic flow and projected increase in traffic volumes. The subject STP-Local funds and Colorado River Subarea MLHP funds can only be used within the Subarea.

Both the City and the County concur that Segment 1C is the only regional project in the Subarea of mutual benefit to the City and the County and the allocation of these funds to the project is the best use of these funds. The County and the City are both agreeable to have the \$900,000 available in subarea MLHP funds remaining to be collected through the life of the Measure allocated to a beneficial project. The County also desires to have SBCTA allocate \$8,500,000 in STP-L funds to the project so the highway can be improved in the last segment remaining within the City and into the unincorporated area.

It is for these reasons that it is recommended that the Board of Supervisors (Board) authorize County aid to the City in the form of advancing County funds for the Project to be reimbursed later by SBCTA under the MLHP, as Measure I revenue is collected, for a portion of Segment 1C within the City. This is allowed by section 1680 of the California Streets and Highways Code with a four/fifths vote of the Board, since the project is of mutual benefit to the City and the County. The County has participated with the City in the construction of the aforementioned three other segments, which were funded with federal earmarks allocated in care of the County to Needles Highway under the Public Lands Highways Program.

Improvements to the highway will return the road to a state of good repair, improve the quality of life in Needles and unincorporated County, encourage economic competitiveness by improving intercity and intra-city goods transport, improve strategic connectivity between California and Nevada and support economic growth in the area. The County has completed road improvements on Needles Highway in the Needles area, more specifically, from "N" Street to 500 feet south of Park Road, and is currently in the process of completing a third segment, Segment 1B, from 500 feet south of Park Road to David Drive.

The County and City desire to cooperate and jointly participate in the continued road improvement, pavement reconstruction, realignment, drainage improvement, and other appurtenant work, including five years of plant establishment and maintenance work after construction on Needles Highway, from David Drive north to 0.1 mile north of Not'cho Road, in the Needles area (Segment 1C). Segment 1C will begin on David Drive where Segment 1B

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ends, this segment has several vertical dips and crosses several drainages, resulting in the need to construct road improvements. The proposed Segment 1C improvement project realigns and reconstructs the road pavement and makes improvements to the road's drainage system.

On April 10, 2001 (Item No. 11) the Board entered into County Contract No. 01-257, and on August 9, 2016 (Item No. 29) the Board entered into Amendment No. 1 to County Contract No. 01-257 for improvements on Needles Highway, from "N" Street northerly to the California/Nevada state line (known as the "Parent Project"). Due to lack of funding availability, the construction was limited to the following three segments: 1) Needles Highway, from N Street to 600 feet north of Balboa Place (Segment N); 2) from 600 feet north of Balboa Place to 500 feet south of Park Road (Segment 1A); and 3) from 500 feet south of Park Road to David Drive "Segment 1B). Segments N and 1A were completed under County Contract No. 01-257. On October 26, 2021 (Item No. 48), the Board entered into County Contract No. 21-784 for the construction of Segment 1B, which is anticipated to be completed in 2022. These three segments were funded with the Public Lands Highways Program funds allocated to the County. The County was assigned the lead agency for the projects.

On February 8, 2022 (Item No. 42) the Board entered into County Contract No. 22-85 with SBCTA to approve an Advance Expenditure Agreement. Measure "I" revenues in the Colorado River Subarea allocated to the MLHP are approximately \$85,000 per year. Currently, there is not sufficient funding in the SBCTA MLHP Colorado River Subarea fund account to reimburse the County for the Project related costs for the Project Approval/Environmental Document (PA/ED) and Plans, Specifications, and Estimates (PS&E) phases. Therefore, the County requested and received Board approval of the Advance Expenditure Agreement to initially use its Gas Tax revenues for the Project's PA/ED and PS&E phases with the expectation of being reimbursed by SBCTA from MLHP funds as they are collected.

The County desires to continue the road improvements starting at the end of Segment 1B, which is Segment 1C. Pursuant to the proposed Cooperative Agreement, the County will continue to serve as the project lead agency in the design, right-of-way, and construction phases. Segment 1C also includes a five-year establishment of existing plant (EEP) phase which is one-year plant establishment and four years of plant maintenance to begin after the road and drainage improvements are complete. The City will provide to the County a no-cost permit to perform work within the City's right-of-way, and will also provide a representative to discuss and attempt to resolve issues concerning Segment 1C, if necessary. The City will continue to perform before, during, and after Segment 1C construction the maintenance of its streets that are located within the Segment 1C limits, except for those activities that are impossible to perform during construction. Construction of Segment 1C is anticipated to commence in 2025 and is expected to last approximately one year. The proposed Cooperative Agreement is effective through June 30, 2031, to allow for any unforeseen construction delays, to complete project closeout inspections and activities, and submit the final invoice to SBCTA for reimbursement of Segment 1C construction and plant maintenance costs.

Adoption of the Resolution by a four-fifths vote of the Board, pursuant to Streets and Highways Code section 1680, allows the County to provide County aid to the City for their share of the Project.

The construction of Segment 1C will ensure development of a well-planned, balanced and sustainable County by improving the sight distance for motorists by realigning the roadway, increasing the pavement lifespan, and protecting the roadway from potential drainage overflow

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during a storm. Furthermore, in accordance with the California Streets and Highways Code 1680 and the adoption of a Resolution to provide County aid to the City for the roadway improvements to the jointly shared road lying within the City's limit, Recommendation Nos. 1 and 2 meet the County's goals and objectives by working with the City to ensure that the City street along with the County road is repaired in an efficient manner.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on February 7, 2022; Finance (Carl Lofton, Administrative Analyst, 387-5404) on March 10, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on March 14, 2022.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Dawn Rowe Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 14, 2022



cc: W/RESOLUTION
 PW/Trans- Chun w/agree
 Contractor- C/O PW/Trans w/agree
 File- w/agree w/map
LA 06/29/2022