



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** FEBRUARY 5, 2019

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**SUBJECT:** AUTHORIZATION OF ADVANCEMENT OF FUNDS FROM ORANGE COUNTY TRANSPORTATION AUTHORITY FOR CLOSE OUT OF STATE COLLEGE BOULEVARD GRADE SEPARATION PROJECT (C-9-0576)

---

### **SUMMARY**

On December 31, 2009, the City entered into Cooperative Agreement C-9-0576 with the Orange County Transportation Authority (OCTA) for the Raymond Avenue and State College Boulevard Grade Separation Projects. The two projects are completed and to close out the State College Boulevard Grade Separation Project funds are required to be advanced from OCTA to allow the City to obtain Federal reimbursement.

### **RECOMMENDATION**

Authorize the City Manager to execute an Agreement, in a form approved by the City Attorney, with the Orange County Transportation Authority for advancement of necessary funding in order to seek federal reimbursement to close out the State College Boulevard Grade Separation Project.

### **PRIORITY POLICY STATEMENT**

This item matches the following Budget Policy Priority Statement/s:

- Fiscal and Organizational Stability.

### **FISCAL IMPACT**

Nominal daily interest rate on advancement of funds, not to exceed \$1,500 in total for duration of advancement.

### **DISCUSSION**

In order to close out the State College Boulevard Grade Separation Project, the City has final payments in which, due to the size of the payments, the City has requested the

Orange County Transportation Authority to advance the funds. The City made a similar request to OCTA in 2016 for payments due at that time. The final payments are necessary to obtain the final Federal reimbursements for outstanding right-of-way costs due to the City for the project. The reimbursements will come from a federal funding program called the Surface Transportation Block Grant which requires that a proof of payment must be included in the reimbursement package. The process is rather quick, and as soon as we receive the federal reimbursement the City will forward the money to OCTA for the right-of-way expenditures.

OCTA has agreed to advance Measure M2 funds in the amount up to \$12.7 million which will be returned to them in a matter of days. The cost of the advance is the internal borrowing cost as set forth by OCTA which will not exceed 2.0% (an amount approximately equal to the Local Agency Investment Fund rate). While the City does have investment funds, the liquidity of such funds is not sufficient to cover the entire amount. Had the City the necessary funding to advance, the cost of paying the nominal interest to OCTA is approximately equal to what would have been the cost of advancing the City's own funds. Due to the initial set-up of the State College Boulevard Grade Separation Project, the City began as the lead agency but then ceded the lead agency status for the right-of-way portion of the project to OCTA through successive amendments to the Cooperative Agreement. However, because of the initial lead status, the City remained as the designated lead agency recipient for segments of the federal funding. As stated, this payment completes the close out of the project.