MEMORANDUM

Date: September 5, 2014

To: The Honorable Chair and Members
    Pima County Board of Supervisors

From: C.H. Huckelberry
    County Administrator

Re: Intergovernmental Agreement with the Arizona Department of Transportation: State Route 86 Between Valencia Road and Kinney Road

The attached September 4, 2014 memorandum from Priscilla Cornelio, Director of the Pima County Department of Transportation (DOT), provides information regarding cost sharing responsibilities between Pima County and the Arizona Department of Transportation (ADOT). ADOT is implementing an upgrade of State Route (SR) 86 (Ajo Highway) between Valencia Road and Kinney Road that includes the reconstruction of 14 connecting side streets that are under the jurisdiction of Pima County. ADOT is responsible for maintaining the connections to these local streets and highways in the same manner as they currently exist prior to the upgrade to the state highway.

In the course of reviewing the planned improvements along SR 86, DOT coordinated with ADOT to address needed upgrade improvements at these various intersecting roadways. In particular, the intersection of Kinney Road and Ajo Highway accommodates a substantial amount of traffic from both roadways. Part of this improvement project includes a substantial drainage improvement immediately north of SR 86. Pima County’s share of costs associated with this project is $2.845 million, of which $2.2 million will come from Pima County’s share of regionally available Federal Surface Transportation Program funds. Use of such federal funds requires that a local match be made available; therefore, the County’s required local match for these federal funds is $132,980. In addition, Pima County is responsible for any costs over and above those costs associated with retaining the existing connections of the County-maintained roadways. The additional cost for right of way acquisition and upgraded intersections at these connecting side streets is an additional $512,020. Therefore, the total contribution of Pima County funds is $645,000.

The funding source for the County’s local contribution is impact fees from the Southwest Benefit Area that addresses transportation needs in the portion of the region. The investment of Pima County monies, in collaboration with the funding available from ADOT for this major upgrade of SR 86, is justified and appropriate.

I recommend the Board of Supervisors approve the intergovernmental agreement regarding this matter, which is on the Board’s September 9, 2014 Addendum Agenda.

CHH/mjk
Attachment

c: John Bernal, Deputy County Administrator for Public Works
    Priscilla Cornelio, Director, Department of Transportation
DATE: September 4, 2014

TO: C.H. Huckelberry, County Administrator

FROM: Priscilla S. Cornelio, P.E., Director

SUBJECT: SR 86, Valencia To Kinney Road; Project Cost Sharing Responsibilities

In response to your request for cost sharing and responsibility breakout with Arizona Department of Transportation (ADOT), I would like to provide the following background information.

For this project, PCDOT and ADOT have agreed to the following:

1. ADOT will be responsible for all costs associated with restoring functional connectivity between the improved state highway and the local connecting side streets (County roadways). This includes transitions, tapers, adjustments of drainage features, etc.
2. PCDOT will then be responsible for all costs associated with any cross street features that improve/enhance overall capacity, operations and mobility. Examples consist of widening the cross streets to include the addition of dedicated turning lanes, or lengthening storage bays where required.

The DCR that was completed in the mid 2000’s identified the PCDOT cost responsibility of approximately $7M which consisted of upgrades of the numerous side streets throughout the corridor. When project design efforts were reinitiated in 2011, PCDOT and ADOT agreed to revisit the growth projections for the corridor and evaluate the traffic volumes that were used as the basis for the design of the various intersections. Upon conclusion of that effort, the configuration of the various side street improvements was significantly revised, which in turn reduced the PCDOT cost share to the current value of $2.845M.

In addition to the redesign efforts, PCDOT worked closely with ADOT to develop an agreement that allowed the Department to use its allocation of regional federal funds to pay for the improvements, and then supplement with additional local funding (in this case impact fees) to cover match amounts, plus provide for improvements to eligible roadways along the corridor.
This same design approach and cost share responsibility, plus funding methodology, was also used on the SR 77 widening project from Tangerine Road to the Pinal County line, which is currently under construction.

I trust this provides the additional information needed, but if you have any other questions, please feel free to contact me.

PSC:RE:dg

c: John M. Bernal, Deputy County Administrator - Public Works
BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: September 9, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS: Approval of an Intergovernmental Agreement (IGA) with the State of Arizona, Arizona Department of Transportation (ADOT), for the design and construction of roadway widening improvements along State Route (SR) 86 (Ajo Highway) between Valencia Road and Kinney Road, including the reconstruction of fourteen (14) connecting side streets: Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road.

The State will obtain federal funds for the design, construction and reconstruction costs of the Project. The County will be responsible for all upgrade improvement costs associated with right-of-way acquisition and the construction improvements of the Project, estimated at $2,845,000.00. The County will allocate, to the State, $2,200,000.00 of its Surface Transportation Program (STP) apportionment towards right-of-way acquisition and construction improvement costs of the Project. The County will be responsible for the required STP funds local match, $132,980.00, and the County will also contribute an additional $512,020.00 towards right-of-way acquisition and construction improvement costs of the Project, for a total contribution of $645,000.00 as outlined in the IGA. The initial term of the IGA will be from September 9, 2014 to September 8, 2019.

CONTRACT NUMBER (If applicable): 15*77

STAFF RECOMMENDATION(S): Approve the IGA, in order to allow for the design and construction of much-needed and long-overdue roadway and widening improvements along State Route (SR) 86 (Ajo Highway) between Valencia Road and Kinney Road, including key intersection reconstruction efforts, which will enhance access and overall safety along an increasingly-traversed and adjacent-developed corridor.

CORPORATE HEADQUARTERS:

Arizona Department of Transportation
Joint Project Administration
205 S. 17th Avenue, Mail Drop 637E
Phoenix, Arizona 85007
Phone: (602) 712-7124

To: CHH 9-4-14
   CoB 9-4-14
   Agenda 9-9-14
   Addendum (3)

Page 1 of 2
PIMA COUNTY COST: $645,000.00 and/or REVENUE TO PIMA COUNTY: ____________

FUNDING SOURCE(S): Impact Fees
(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:  

[ ] YES  [X] NO

Board of Supervisors District:

[ ] 1  [ ] 2  [X] 3  [ ] 4  [ ] 5  [ ] All

IMPACT:

IF APPROVED: The IGA will be approved as written, and the design and construction of roadway and widening improvements, and intersection reconstruction along State Route (SR) 86 (Ajo Highway) between Valencia Road and Kinney Road, will go forward as scheduled.

IF DENIED: The IGA will not be approved as written and the design and construction of roadway and widening improvements, and intersection reconstruction along State Route (SR) 86 between Valencia Road and Kinney Road, will be halted indefinitely and enhancements will not proceed.

DEPARTMENT NAME: Transportation

CONTACT PERSON: Rick Ellis TELEPHONE NO.: (520) 724-6385
INTERGOVERNMENTAL AGREEMENT

BETWEEN

THE STATE OF ARIZONA

AND

THE PIMA COUNTY

THIS AGREEMENT is entered into this date __________, 2014, pursuant to the Arizona Revised Statutes §§ 11-951 through 11-954, as amended, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and the PIMA COUNTY, acting by and through its BOARD OF SUPERVISORS (the "County"). The State and the County are collectively referred to as "Parties".

I. RECITALS

1. The State is empowered by Arizona Revised Statutes § 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.

2. The County is empowered by Arizona Revised Statutes § 11-251 to enter into this Agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this Agreement on behalf of the County.

3. The State will design, advertise, award and administer construction of roadway widening improvements along State Route (SR) 86 between Valencia Road and Kinney Road, including reconstruction of fourteen connecting side streets, as shown in Exhibit A: Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road, hereinafter referred to as the 'Project'. The State will obtain federal funds for the design, construction and reconstruction costs of the Project. The County will be responsible for all upgrade improvement costs associated with right-of-way acquisition and the construction improvements of the Project, estimated at $2,845,000.00. The County will allocate, to the State, $2,200,000.00 of Surface Transportation Program (STP) apportionment towards right-of-way acquisition and construction improvement costs of the Project. The County will be responsible for the required STP funds local match, of $132,900.00, and the County will also contribute an additional $512,020.00 towards right-of-way acquisition and construction improvement costs of the Project. Due to the restrictions associated with the additional $512,020.00, these additional funds can only be used for improvements made to: Camino Verde, Kinney Road, San Joaquin and Valencia Road.
4. The federal funds will be used for right-of-way acquisition and construction costs of the Project. The estimated Project cost breakdown is as follows:

**H6806 02R (right-of-way):**

Federal-aid funds @ 94.3% (capped) $ 254,667.00
County’s match @ 5.7% $ 15,394.00

**Subtotal – Right-Of-Way** $ 270,061.00

**H6806 01C (construction):**

Federal-aid funds @ 94.3% (capped) $1,945,333.00
County’s match @ 5.7% $ 117,586.00
County funds @ 100% $ 512,020.00

**Subtotal – Construction** $2,574,939.00

**Estimated TOTAL Project Cost** $2,845,000.00

**Summary:**
- Total Estimated County Funds $ 645,000.00
- Total Federal Funds $2,200,000.00

5. The Parties hereto agree to and acknowledge the following conditions: the Parties shall perform their responsibilities consistent with this Agreement, and any change or modification to the Project will only occur with the mutual written consent of both Parties.

**THEREFORE**, in consideration of the mutual covenants expressed herein, it is agreed as follows:

**II. SCOPE OF WORK**

1. The State will:
   
   a. Upon execution of this Agreement, be the designated agent for the County, if the Project is approved by FHWA and funds for the Project are available.

   b. Require all of State’s contractors and subcontractors on the Project to name Pima County as an additional insured and to indemnify in all contracts and subcontracts for the Project.

   c. Upon execution of this Agreement, accept the County’s contribution in an amount not to exceed $2,200,000.00 of STP apportionment for right-of-way acquisition costs and construction costs of the Project.

   d. Upon execution of this Agreement, and prior to performing or authorizing any work on the Project, invoice the County for the required local match for right-of-way acquisition costs, currently estimated at $15,394.00. Once the Project has been completed, the State will either invoice or reimburse the County for the difference between estimated and actual costs of this portion of the Project.

   e. Prepare and provide design plans, specifications, environmental clearance and other such documents and services required for construction of the Project. Such documents may consist of, but are not specifically limited to, environmental documents; the preparation of the analysis requirements for documentation of environmental categorical exclusion determinations; review of reports, design plans,
maps, and specifications; geologic materials testing and analysis; right-of-way related activities and such other related tasks essential to the Project.

f. Submit all documentation required to the Federal Highway Administration (FHWA) containing the above-mentioned Project with the recommendation that funding be approved for design, construction and construction administration. The Project will be performed, completed, accepted and paid for in accordance with the requirements of the Project Plans and Specifications.

g. Not be responsible for utility relocations, right-of-way acquisitions costs and any construction costs associated with improving Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road adjacent to the Project.

h. Upon completion of design and prior to bid advertisement, invoice the County for the required local match and local contribution towards construction costs, estimated at $629,606.00. Once the Project has been completed, the State will either invoice or reimburse the County for the difference between estimated and actual costs of this portion of the Project.

i. Upon receipt of the County’s estimated share of the Project construction costs and authorization from FHWA, proceed to advertise for, receive and open bids, select and contract with the firm or firms to whom the award is made for the design and construction of the Project. The State shall be responsible for all contractor claims for additional compensation caused by or attributable to the State.

j. Upon completion of the Project and final inspection and acceptance of all the Project improvements, as shown in Exhibit A, convey all right and title to the improvements to Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road by providing written notification to the County that the Project has been constructed in accordance with the Project documents and that all improvements to Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road have vested with the County.

k. Obtain a right-of-way use permit from the County prior to initiating any work within County right-of-way.

2. The County will:

a. Upon execution of this Agreement, designate the State as authorized agent for the County.

b. Upon execution of this Agreement, contribute STP apportionment to the State, in an amount not to exceed $2,200,000.00 for right-of-way acquisition and construction improvements costs associated with the Project.

c. Upon execution of this Agreement and within thirty (30) days of receipt of an invoice from the State, remit to the State the required local match for right-of-way acquisition costs, currently estimated at $15,394.00. Once the Project has been completed, the State will either invoice or reimburse the County for the difference between estimated and actual costs of this portion of the Project.

d. Review the design documents required for construction of the Project and provide comments to the State as appropriate.

e. Upon completion of design, within thirty (30) days of receipt of an invoice from the State and prior to bid advertisement, pay the State, the required local match and local contribution towards
construction improvement costs, estimated at $629,606.00. Once the Project costs have been finalized, the State will either invoice or reimburse the County for the difference between estimated and actual costs.

f. Certify that all necessary rights-of-way have been or will be acquired prior to advertisement for bids and certify that all obstructions or unauthorized encroachments of whatever nature, either above or below the surface of the Project area, have been removed from the proposed right-of-way, or will be removed prior to the start of construction, in accordance with The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended; 49 CFR 24.102 Basic Acquisition Policies; 49 CFR 24.4 Assurances, Monitoring and Corrective Action, parts (a) & (b) and ADOT ROW Manual: 8.02 Responsibilities, 8.03 Prime Functions, 9.07 Monitoring Process and 9.08 Certification of Compliance. Coordinate with the State's Right-Of-Way personnel during any right-of-way process performed by the County if applicable.

g. Not permit or allow any encroachments upon or private use of the public right-of-way, except those authorized by permit. In the event of any unauthorized encroachment or improper use, the County shall take all necessary steps to remove or prevent any such encroachment or use.

h. Grant the State, its agents and/or contractors, without cost, the right to enter County rights-of-way, as required, to conduct any and all construction and preconstruction related activities for the Project, including without limitation, temporary construction easements or temporary rights of entry on, to and over County rights-of-way.

i. Waive the Advance Four-Year Notice of Abandonment and pavement quality report requirement of ARS 28-7209.

j. Upon completion of the Project, assume ownership, control and maintenance responsibilities of improvements to Aviator Lane, Valencia Road, Old Ajo Highway, San Joaquin Road, Camino Verde, Tucson Estates Parkway, Spencer Street, Sunset Boulevard, Sheridan Avenue, Don Alberto Turnout, Don Carlos Turnout, Don Alfonso Turnout, Don Miguel Turnout, and Kinney Road, as shown in Exhibit A.

k. Upon completion of the Project, assume responsibility for the provision of electric power for the traffic control signals located at the intersections of SR 86 and Valencia Road, San Joaquin Road, Camino Verde, and Kinney Road.

III. MISCELLANEOUS PROVISIONS

1. The terms, conditions and provisions of this Agreement shall remain in full force and effect until completion of the Project and all reimbursements provided herein. All maintenance obligations contained herein shall be perpetual. This Agreement may be cancelled at any time prior to the award of a Project construction contract, upon thirty-day (30) written notice to the other party. It is further understood and agreed that, in the event County cancels this Agreement, the State shall have no other obligation to continue with the Project. If the federal funding related to this Project is terminated or reduced by the federal government, or if Congress rescinds, fails to renew, or otherwise reduces apportionments or obligation authority, neither Party to this Agreement shall be obligated to continue with the Project or provide funds for past, current or future expenses under this agreement.

2. To the extent permitted by law, the County hereby agrees to save and hold harmless, defend and indemnify from loss the State, any of its departments, agencies, officers or employees from any and all liability, costs and/or damage incurred by any of the above arising or resulting from the Agreement; and from any other liability, damage to any person or property whatsoever, which is caused by any activity, negligence, condition, misrepresentation, directives, instruction or event arising out of the performance or non-performance of any provisions of this Agreement by (a) the State, any of its departments, agencies, officers and employees, or its independent contractors; or (b) the County, any of its agents, officers and employees, or its independent contractors. Costs incurred by the State, any of its
departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys’ fees.

3. This Agreement shall become effective upon signing and dating of the Determination Letter by the State’s Attorney General.

4. The cost of the project under this Agreement includes applicable indirect costs approved by the Federal Highway Administration (FHWA).

5. The Parties warrant compliance with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments (the "Act"). Additionally, in a timely manner, the County will provide information that is requested by the State to enable the State to comply with the requirements of the Act, as may be applicable.

6. This Agreement may be cancelled in accordance with Arizona Revised Statutes § 38-511.

7. The provisions of Arizona Revised Statutes § 35-214 are applicable to this Agreement.

8. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 36 and 36. The parties to this Agreement shall comply with Executive Order Number 09-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding “Non-Discrimination”.

9. Non-Availability of Funds: Every payment obligation of either the State or the County under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by either the State or the County at the end of the period for which the funds are available. No liability shall accrue to either the State or the County in the event this provision is exercised, and neither the State nor the County shall be obligated or liable for any future payments as a result of termination under this paragraph.

10. In the event of any controversy which may arise out of this Agreement, the Parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes § 12-1518.

11. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

   Arizona Department of Transportation  
   Joint Project Administration  
   205 S. 17th Avenue, Mail Drop 637E  
   Phoenix, Arizona 85007  
   (602) 712-7124  
   (602) 712-3132 Fax

   Pima County  
   Attn: Priscilla Cornelio  
   201 N. Stone Avenue 4th Floor  
   Tucson, Arizona 85701  
   (520) 740-6410

12. The Parties shall comply with the applicable requirements of Arizona Revised Statutes § 41-4401 and Title 34 of the Arizona Revised Statutes.

13. The Parties hereto shall comply with all applicable laws, rules, regulations and ordinances, as may be amended.

14. In accordance with Arizona Revised Statutes § 11-952 (D) attached hereto and incorporated herein is the written determination of each Party’s legal counsel and that the parties are authorized under the laws of this State to enter into this Agreement and that the Agreement is in proper form.
IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

PIMA COUNTY

By _________________________
   Chairman, Board of Supervisors

STATE OF ARIZONA
Department of Transportation

By _________________________
   DALLAS HAMMIT, P.E.
   Senior Deputy State Engineer, Development

ATTEST:

By _________________________
   Clerk of the Board
ATTORNEY APPROVAL FORM FOR THE PIMA COUNTY

I have reviewed the above referenced Intergovernmental Agreement between the State of Arizona, acting by and through its DEPARTMENT OF TRANSPORTATION, and the PIMA COUNTY, an Agreement which has been reviewed pursuant to Arizona Revised Statutes §§ 11-951 through 11-954 and declare this Agreement to be in proper form and within the powers and authority granted to the County under the laws of the State of Arizona.

No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this 27th day of August, 2014.

Deputy County Attorney