

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 21 - 22, 2003

Reference No.: 2.3c.(1)
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Karla Sutliff
Chief
Division of Design

Ref: **RELINQUISHMENT RESOLUTION**

ISSUE:

Legislation has been approved authorizing the California Transportation Commission (Commission) to relinquish to the City of West Sacramento (City) that portion of State Route 84 (SR 84) within the City if the Commission determines that the terms and conditions of the relinquishment are in the best interests of the state. Unique terms and conditions or exceptions are summarized in the Background below.

RECOMMENDATION:

The Department of Transportation (Department) recommends the Commission approve the following Relinquishment Resolution:

Resolution No. R-3547 – 03-Yol-84-KP 25.25/38.95 (Request No. 33961-X) – 2 Segments

Relinquishes a portion of Route 84 right of way in the City of West Sacramento, from the southerly city limits to State Route 80, under terms and conditions as stated in the Relinquishment Agreement, Number 03-0215, determined to be in the best interest of the state. Authorized by urgency statute Senate Bill 104 (SB104), Chapter 5, Statutes of 2003, which amended Section 384 of the Streets and Highways Code.

BACKGROUND:

The Department recognizes that there are some highways that can better be characterized as conventional local streets and the Department is working with local agencies to identify and transfer these facilities as appropriate. The Department and the City agree that SR 84 is such a facility. Streets and Highways Code Section 73 provides the Commission authority to approve this type of relinquishment in response to special legislative enactment. At the request of the City, Senator Machado introduced SB104 as emergency legislation to provide the Commission with the authority to immediately relinquish the portion of SR 84 within the City upon finding that the terms and conditions of the relinquishment are in the best interests of the state. The proposed terms and

conditions of the relinquishment are outlined below and a copy of the proposed Relinquishment Agreement between the City and the Department has been provided to Commission staff.

When Governor Davis signed SB104, he commented, "While state highway relinquishments of this nature occur frequently and in the regular course of business, I am urging all parties involved to recognize in their deliberations the state's current fiscal situation. Specifically, I am directing the Department of Transportation to ensure that, if the negotiated terms of the relinquishment include the transfer of funds to the City, the transfer does not occur until cash flow in the State Highway Account improves." The Department is concurrently requesting the Commission to approve an allocation of \$6,199,000 in consideration of the City's acceptance of all elements of ownership as outlined in the Relinquishment Agreement, with the condition that funds not be transferred until June of 2006 or such earlier time approved by the Commission. The Relinquishment Agreement includes provisions allowing the City to assume the Department's rights and responsibilities to negotiate with the Army Corps of Engineers for the disposition of the Bascule Bridge across the Yolo Barge Canal, for the Department to complete the Phase I SR 84/Jefferson Boulevard project currently in construction, and the future relinquishment to the City without any additional compensation of Segments 3, 4, 5, 6, and 7 that make up small portions of the right of way for which the title is still being perfected.

The Department and the City began discussions relating to the potential relinquishment in the Fall of 2000. In 2002, language to authorize the relinquishment was attached to a bill that ultimately failed to win approval, but the City and the Department continued negotiation of potential terms of relinquishment with the expectation that a special legislative enactment would ultimately be approved. The Governor signed SB 104 on April 21, 2003.

Items negotiated between the City and the Department are identified in the Relinquishment Agreement. The facility may have deteriorated to some degree in the past year and the current proposal would delay payment by three years, but the City has agreed to accept the originally negotiated amount of \$6,199,000 because they are anxious to advertise and award the next phase of the Jefferson Boulevard (Current SR 84) improvement program immediately upon relinquishment. In effect, the Commission's allocation of \$6,199,000 now would allow a \$20 million construction project to proceed even though the State Highway Account would not be debited for the relinquishment until June of 2006 after the cash flow for the State Highway Account is expected to improve.