



AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 27, 2024

DATE: February 27, 2024

TO: Peter Zanoni, City Manager

FROM: Jeffrey H. Edmonds, P.E., Director of Engineering Services
jeffreye@cctexas.com
(361) 826-3851

Wesley Nebgen, Director of Water System Infrastructure
wesleyn@cctexas.com
(361) 826-3111

Advance Funding Agreement
TxDOT Ramp Reversal -Waterline Relocation
TxDOT Utility Construction

CAPTION:

Resolution authorizing execution of an Advance Funding Agreement with the Texas Department of Transportation (TXDOT) for relocation of City utilities in connection with the SH 358 Nueces Ramp Reversal Phase II-B Project with payment to TXDOT of \$2,398,000.00, with FY 2024 funding available from Water Fund.

SUMMARY:

This resolution authorizes an Advance Funding Agreement (AFA) with the Texas Department of Transportation (TxDOT) for the relocation and adjustments of water line along SH 358 for SH 358 Nueces Ramp Reversal Phase II-B. The total estimated construction cost for the projects is \$2,398,000.00. City is required to pay TxDOT an amount of \$2,398,000.00 for project cost and any overruns for the direct state costs related to the oversight of activities including environmental permitting, right of way coordination, engineering, utility coordination, and construction of the project.

BACKGROUND AND FINDINGS:

TxDOT has received project funding from Rural Transportation Improvement Plan (TIP) Ramp reversal Phase II-B for State Highway 358 from Nile to South Staples Street. TxDOT project is ready to be implemented. There is an existing eight-inch City main and fire hydrants that need to be relocated prior to the beginning of the ramp reversal work. The total estimated cost for Ramp reversal project is \$35 Million. City is responsible for the water line relocation cost which is an amount of \$2,398,000.00. Upon approval of the AFA, the project will be advertised for bidding by TxDOT in April 2024.

ALTERNATIVES:

The City Council could choose not to execute the AFA with TxDOT, this would delay the project and conflict with TXDOT UTP goal for the safety of public travelling on South Padre Island Drive.

FISCAL IMPACT:

The fiscal impact for FY 2024 is in the amount of \$2,398,000.00 with funding available from the Water Capital Fund. The project budget included in the FY 2024 Capital Budget (project #24027) is \$1,375,000 – resulting in a shortfall of \$1,023,000. The shortfall in funding for the water utility work for this project will be transferred from the water utility budget for project 23156 Alameda Street from Airline to Everhart since construction for the Alameda project is scheduled to begin in January 2025. Funding will be re-budgeted in FY 2025.

Funding Detail:

Fund: **Water Capital Fund 2023 (Fund 4487)**
Department: Water (45)
Organization: Capital Projects Funds (89)
Project: 24027 – SH358 Water Line Relocation
Account: Construction (550910)
Activity: 24027
Amount: \$2,398,000.00

RECOMMENDATION:

Staff recommends approval of the Resolution to enter into the Advance Funding Agreement.

LIST OF SUPPORTING DOCUMENTS:

CRP Utility CSJ 0617-01-177 AFA
Resolution