



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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April 08, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

35 April 8, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**DELEGATE AUTHORITY TO EXECUTE AN EXTENSION TO THE LOANS
FROM THE VALENCIA, BOUQUET CANYON, AND EASTSIDE BRIDGE
AND MAJOR THOROUGHFARE-CONSTRUCTION FEE DISTRICTS
TO THE WESTSIDE DISTRICT STATE ROUTE 126/COMMERCE CENTER DRIVE
INTERCHANGE IMPROVEMENTS
(ALL DISTRICTS)
3 VOTES**

SUBJECT

This action is to request the Board of Supervisors approval to execute an extension to the Valencia, Bouquet Canyon, and Eastside Bridge and Major Thoroughfare (B&T) Construction Fee Districts for loans made previously to the Westside B&T District for the construction of the State Route (SR) 126/Commerce Center Drive Interchange Improvement Project. It was originally envisioned that the current authorized loans would be made in Fiscal Year 2011-12; however, the loan transfers did not occur during this time period. The enclosed resolution will allow the loans to be made in the current fiscal year or in any subsequent year.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the resolution to extend the authorized loans from the Valencia (\$3.5 million), Bouquet Canyon (\$10.5 million), and Eastside (\$7 million) Bridge and Major Thoroughfare Construction Fee Districts to the Westside Bridge and Major Thoroughfare Construction Fee District in amounts not to exceed the limits prescribed in the resolution, subject to the terms described therein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

One of the priority projects in the Westside B&T Construction Fee District is a project consisting of a

full-movement, grade-separated interchange at the existing SR-126/Commerce Center Drive intersection. This project also proposes the widening of SR-126 from 3,412 feet east of the intersection with Commerce Center Drive to 2,789 feet west of the intersection, the realignment of Henry Mayo Drive to the south to create a signalized intersection with Commerce Center Drive, and the relocation and signalization of the Travel Village entrance along SR-126. The total estimated construction cost of the project is \$55 million; however, there are insufficient funds available at this time in the Westside B&T District to implement this project.

The purpose of the enclosed resolution is to provide funds to the Westside B&T District to finance the SR-126/Commerce Center Drive Interchange project by extending the authorized loans from the Valencia, Bouquet Canyon, and Eastside B&T Districts.

The Valencia, Bouquet Canyon, and Eastside B&T Districts have fund balances that exceed the funding levels needed to implement anticipated projects within those Districts during the timeframes of the proposed loan repayment schedules. The remaining fund balances, after the loan of approximately \$0.6 million (Valencia), \$2.6 million (Bouquet Canyon), and \$4.3 million (Eastside), will be retained in these Districts for anticipated short-term needs. The loaning Districts will still be able to implement high-priority projects using funds from future fee revenues and the loan repayments from the Westside B&T District.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Operational Effectiveness (Goal 1) by allowing the County to utilize the B&T District funds in a more cost-effective manner.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund. The loans totaling \$21 million will be repaid in ten equal annual principal payments plus interest on the unpaid balance with future revenues collected in the Westside B&T District Fund. In the event that the Westside B&T District has sufficient funding, the Westside B&T District can choose to pay back the remaining balance of the loan early. Funds for loan repayments will be budgeted in future years as fees are collected from developers. The Board approved these fees on July 26, 2011.

The loans will be secured by the County's Road Fund. The Road Fund may be used for this purpose because the project will be within road right of way and project costs are eligible gas tax expenditures. If repayment is required from the Road Fund, these funds will be paid solely from the Fifth Supervisorial District's Road Construction Program. If necessary, funds for this purpose will be included in future years' Road Fund budgets.

The total construction cost of the SR-126/Commerce Center Drive Interchange Improvement Project is estimated to be \$55,000,000 of which \$9,200,000 will be financed with a Los Angeles County Metropolitan Transportation Authority grant obtained under the 2001 Call for Projects (CFP). The remaining construction cost in the amount of \$45,800,000 will ultimately be financed with the future Westside B&T Construction Fee District funds as fees are collected. The future Westside B&T District is expected to generate, over time, almost \$600,000,000 for transportation projects within the District.

Since the future Westside B&T District fees will not be collected for several years, it is proposed that funds from the Fifth Supervisorial District's Road Construction Program, Newhall Land and Farming Company (Newhall Land), and the Valencia, Bouquet Canyon, and Eastside B&T Districts be used to

advance funding for the project as shown on the enclosed Exhibit A.

The necessary funds for construction of the SR-126/Commerce Center Drive Interchange Improvement Project are included in the Fifth Supervisorial District's Road Construction Program in the Road Fund Budget, which will partially be reimbursed with funds from Newhall Land and the Westside B&T District following the Board's approval of the extension of the loan of funds from the Valencia (\$3.5 million), Bouquet Canyon (\$10.5 million), and Eastside (\$7 million) B&T Districts. Funds are available in the Valencia, Bouquet Canyon, and Eastside B&T District budgets to enable the \$21 million loan to the Westside B&T District. Over time, the Road Fund will be fully reimbursed for all project expenditures with Westside B&T District funds as they become available.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 13, 2006, the Board approved amendments for the County portions of the Valencia, Bouquet Canyon, Eastside, Lyons/McBean, and Castaic B&T Districts that allowed District fees paid by development projects to be loaned to other Districts for projects in the County areas. Furthermore, on July 26, 2011, the Board also approved the Westside B&T District Report to allow loan transfers from other B&T districts to the Westside B&T District for financing of district improvement projects. Any proposed loan is required to be documented by a resolution adopted by the Board.

On August 30, 2011, the Board approved a resolution authorizing loans from the Valencia, Bouquet Canyon, and Eastside B&T Construction Fee Districts to the Westside B&T Construction Fee Districts in amounts not to exceed \$3,500,000, \$10,500,000, and \$7,000,000, respectively. This same resolution approved by the Board authorized the Director of Public Works or her designee to:

1. Adopt plans and specifications and advertise for competitive bids for the SR-126/Commerce Center Drive interchange Improvements Project (Project) (5) at an estimated construction contract cost between \$38,000,000 and \$45,000,000.
2. Execute a consultant services agreement with the apparent responsible contractor with the lowest responsive bid to prepare a baseline construction schedule and storm water pollution prevention plan for a not-to-exceed fee of \$25,000.
3. Award and execute a contract with the apparent responsible contractor with the lowest responsive bid so long as the bid amount does not exceed the estimated \$38,000,000 to \$45,000,000 cost; approve the Faithfull Performance and Labor and Material bonds and insurance submitted by the contractor; and take all other actions necessary and appropriate to fully deliver the project.

The Board-approved resolution August 30, 2011, also authorized the Chief Executive Officer to permit the Director of Public Works or her designee to award and execute a contract for the Project if the lowest responsive bid exceeds the estimate cost range, if the Chief Executive Officer finds that additional and appropriate funds have been identified.

The enclosed Resolution has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

On December 5, 2006, Agenda Item No. 47, the Board approved the environmental document prepared by Caltrans for this project. The Negative Declaration found that the project will not have a

significant effect on the environment in accordance with the provisions of the California Environmental Quality Act. On November 16, 2010, Agenda Item No. 14, an addendum to the Negative Declaration to address changes in the scope of the work, was approved by the Board. The proposed actions are within the scope of the previously approved Negative Declaration. Public Works has determined that the conditions at the project site and the proposed scope of work have not changed since the approval of the environmental documents.

As identified in the 2006 Negative Declaration for the SR-126 Interchange project, a permitting process was set forth in the Environmental Impact Statement/Environmental Impact Report for the Natural River Management Plan approved in 1998 by the US Army Corps of Engineers and the California Department of Fish and Game for flood control improvements and other projects associated with the development of land adjacent to the Santa Clara River and its tributaries in the Santa Clarita Valley. Public Works will comply with the permitting requirements set forth for the project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed recommendation to execute an extension to the authorized loans to the Westside B&T District will have no negative impact on the provision of services within the loaning B&T Districts. When the project is completed, it will have a positive impact on services by providing interchange improvements for the traveling public.

CONCLUSION

Please return one adopted copy of this letter and one copy of the recorded Resolution to the Department of Public Works, Land Development Division.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The signature is written in a cursive, flowing style.

GAIL FARBER

Director

GF:AEN:plg

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel
Executive Office

**RESOLUTION OF THE
BOARD OF SUPERVISORS FOR THE COUNTY OF LOS ANGELES
AUTHORIZING LOANS FROM THE VALENCIA, BOUQUET CANYON, AND
EASTSIDE BRIDGE AND MAJOR THOROUGHFARE CONSTRUCTION FEE
DISTRICTS TO THE WESTSIDE BRIDGE AND MAJOR THOROUGHFARE
CONSTRUCTION FEE DISTRICT**

WHEREAS, the Board of Supervisors, on March 2, 1982, added Section 21.32.200 to the Los Angeles County Code, providing for the establishment of Bridge and Major Thoroughfare Construction Fees to be paid by subdividers and building permit recipients in the County of Los Angeles; and

WHEREAS, on June 13, 2006, the Board of Supervisors approved amendments to the Reports of the Valencia, Bouquet Canyon, Eastside, Lyons/McBean, and Castaic Bridge and Major Thoroughfare Construction Fee (B&T) Districts to allow loans of B&T District funds between these B&T Districts; and

WHEREAS, on July 26, 2011, the Board of Supervisors adopted the Westside Bridge and Major Thoroughfare Construction Fee District (hereinafter referred to as Westside B&T District); and

WHEREAS, on July 26, 2011, the Board of Supervisors approved the Westside District's Report to allow loans of B&T District funds between the Valencia, Bouquet Canyon, Eastside, Lyons/McBean, Castaic, and Westside B&T Districts; and

WHEREAS, on August 30, 2011, your Board approved a resolution authorizing loans from the Valencia, Bouquet Canyon, and Eastside B&T Districts to the Westside B&T District in amounts not to exceed \$3,500,000, \$10,500,000, and \$7,000,000, respectively; and

WHEREAS, on August 30, 2011, your Board approved a resolution authorizing the Director of Public Works or her designee to:

1. Adopt plans and specifications and advertise for competitive bids for the State Route 126/Commerce Center Drive interchange Improvements Project (hereinafter referred to as the Project) at an estimated construction contract cost between \$38,000,000 and \$45,000,000;
2. Execute a consultant services agreement with the apparent responsible contractor with the lowest responsive bid to prepare a baseline construction schedule and storm water pollution prevention plan for a not-to-exceed fee of \$25,000;
3. Award and execute a contract with the apparent responsible contractor with the lowest responsive bid so long as the bid amount does not exceed the estimated \$38,000,000 to \$45,000,000 cost; approve the Faithfull Performance and Labor and Material bonds and insurance submitted by the

contractor, and take all other actions necessary and appropriate to fully deliver the Project; and

WHEREAS, on August 30, 2011, your Board approved a Resolution authorizing the Chief Executive Officer to permit the Director of Public Works or her designee to award and execute a contract for the Project if the lowest responsive bid exceeds the estimate cost range, if the Chief Executive Officer finds that additional and appropriate funds have been identified.

WHEREAS, the Valencia, Bouquet Canyon, and Eastside B&T Districts are expected to have fund balances of about \$4.0 million, \$ 13.1 million, and \$11.3 million, respectively; and

WHEREAS, the bulk of these fund balances are not anticipated to be needed for eligible projects within their respective districts in the timeframes of the Loan Repayment Schedules (as described below); and

WHEREAS, the Westside B&T District Report includes the Project, consisting of a full-movement, grade-separated interchange at the existing SR-126/Commerce Center Drive intersection, the widening of SR-126 3,412 feet east of the intersection with Commerce Center Drive to 2,789 feet west of the intersection, the realignment of Henry Mayo Drive to the south to create a signalized intersection with Commerce Center Drive, and the relocation and signalization of the Travel Village entrance along SR-126; and

WHEREAS, there is a current need to construct the Project; and

WHEREAS, future subdivisions and qualifying building permits within the Westside B&T District will benefit from the Project; and

WHEREAS, there are insufficient funds available at this time in the Westside B&T District to finance the anticipated costs of the Project; and

WHEREAS, this funding deficiency may be mitigated by the loans from the Valencia, Bouquet Canyon, and Eastside B&T Districts in amounts not to exceed \$3.5 million, \$10.5 million, and \$7.0 million, respectively, to the Westside B&T District; and

WHEREAS, the prior Resolution approved by the Board of Supervisors, dated August 30, 2011, stated that the loans will be transferred to Westside District in Budget Fiscal Year 2011-12; and

WHEREAS, the construction contract phase for the Project was not awarded during the relevant time period; and

WHEREAS, the loan transfers from the Valencia, Bouquet Canyon and Eastside B&T Districts to the Westside B&T Districts will need to be postponed to at least Fiscal Year 2013-14; and

WHEREAS, the prior Resolution that authorized the loans had a specific payment and repayment schedule attached; and

WHEREAS, this schedule is proposed to be changed, and the Board of Supervisors' approval would be required.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles:

- A. Funds from the Valencia, Bouquet Canyon, and Eastside B&T Districts in amounts not to exceed \$3.5 million, \$10.5 million, and \$7.0 million, respectively, shall be loaned to the Westside B&T District, subject to terms specified in the following paragraphs.
- B. The borrowed funds shall be used only for the Project, and if not used for the Project, shall be returned to the lending B&T District(s).
- C. The loans shall be repaid with interest to each loaning district within 12 years from the date that the loan took place. In the event that the Westside B&T District has a sufficient fund balance, Westside B&T District can choose to pay back the loan early. Otherwise, the loans shall be repaid in 10 equal annual principal payments plus interest on the unpaid balances starting at the inception of the third (3rd) year of the loan. Attached is the proposed Loan Repayment Schedules assuming no early payoff is made.
- D. The loans (\$21 million plus interest) shall be secured by the County's Road Fund. Thirty (30) days prior to each loan payment due date, a determination shall be made regarding the ability of the Westside B&T District to make the payments to the loaning Districts. If Westside B&T District funds are not available to make the full payment, the loan payments will be paid from the Fifth Supervisorial District's Road Construction Program.

The foregoing Resolution was adopted on the 8th day of April, 2014, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

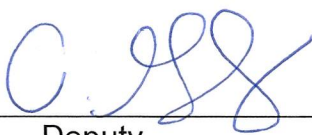


SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By 
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
Deputy

Attach.

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PAYMENT SCHEDULE**LOAN FROM VALENCIA B&T DISTRICT (V51) TO WESTSIDE B&T DISTRICT****PAYABLE IN 12 YEARS**

Principal		\$3,500,000.00			
Interest (Note 1)		1.00% (assumed)			
Term		10			
@pmt(p,i,t)		\$376,964.97			
Payment Year	Beginning Balance	Interest	Principal Reduction	Annual Payments	Ending Balance
1	\$3,500,000.00	\$35,000.00	(\$35,000.00)	\$0.00	\$3,535,000.00
2	\$3,535,000.00	\$35,350.00	(\$35,350.00)	\$0.00	\$3,570,350.00
3	\$3,570,350.00	\$35,703.50	\$341,261.47	\$376,964.97	\$3,229,088.53
4	\$3,229,088.53	\$32,290.89	\$344,674.08	\$376,964.97	\$2,884,414.45
5	\$2,884,414.45	\$28,844.14	\$348,120.82	\$376,964.97	\$2,536,293.63
6	\$2,536,293.63	\$25,362.94	\$351,602.03	\$376,964.97	\$2,184,691.60
7	\$2,184,691.60	\$21,846.92	\$355,118.05	\$376,964.97	\$1,829,573.55
8	\$1,829,573.55	\$18,295.74	\$358,669.23	\$376,964.97	\$1,470,904.32
9	\$1,470,904.32	\$14,709.04	\$362,255.92	\$376,964.97	\$1,108,648.39
10	\$1,108,648.39	\$11,086.48	\$365,878.48	\$376,964.97	\$742,769.91
11	\$742,769.91	\$7,427.70	\$369,537.27	\$376,964.97	\$373,232.64
12	\$373,232.64	\$3,732.33	\$373,232.64	\$376,964.97	\$0.00
Totals		\$269,649.67	\$3,500,000.00	\$3,769,649.67	

Note 1: The interest rate to be applied will be determined at the time the loans are made.

PAYMENT SCHEDULE**LOAN FROM BOUQUET CANYON B&T DISTRICT (CN8) TO WESTSIDE B&T DISTRICT
PAYABLE IN 12 YEARS**

Principal		\$10,500,000.00			
Interest (Note 1)		1.00% (assumed)			
Term		10			
@pmt(p,i,t)		\$1,130,894.90			
Payment Year	Beginning Balance	Interest	Principal Reduction	Annual Payments	Ending Balance
1	\$10,500,000.00	\$105,000.00	(\$105,000.00)	\$0.00	\$10,605,000.00
2	\$10,605,000.00	\$106,050.00	(\$106,050.00)	\$0.00	\$10,711,050.00
3	\$10,711,050.00	\$107,110.50	\$1,023,784.40	\$1,130,894.90	\$9,687,265.60
4	\$9,687,265.60	\$96,872.66	\$1,034,022.25	\$1,130,894.90	\$8,653,243.35
5	\$8,653,243.35	\$86,532.43	\$1,044,362.47	\$1,130,894.90	\$7,608,880.89
6	\$7,608,880.89	\$76,088.81	\$1,054,806.09	\$1,130,894.90	\$6,554,074.79
7	\$6,554,074.79	\$65,540.75	\$1,065,354.15	\$1,130,894.90	\$5,488,720.64
8	\$5,488,720.64	\$54,887.21	\$1,076,007.69	\$1,130,894.90	\$4,412,712.95
9	\$4,412,712.95	\$44,127.13	\$1,086,767.77	\$1,130,894.90	\$3,325,945.17
10	\$3,325,945.17	\$33,259.45	\$1,097,635.45	\$1,130,894.90	\$2,228,309.73
11	\$2,228,309.73	\$22,283.10	\$1,108,611.80	\$1,130,894.90	\$1,119,697.92
12	\$1,119,697.92	\$11,196.98	\$1,119,697.92	\$1,130,894.90	\$0.00
Totals		\$808,949.01	\$10,500,000.00	\$11,308,949.01	

Note 1: The interest rate to be applied will be determined at the time the loans are made.

PAYMENT SCHEDULE**LOAN FROM EASTSIDE B&T DISTRICT (B10) TO WESTSIDE B&T DISTRICT****PAYABLE IN 12 YEARS**

Principal		\$7,000,000.00			
Interest (Note 1)		1.00% (assumed)			
Term		10			
@pmt(p,i,t)		\$753,929.93			
Payment Year	Beginning Balance	Interest	Principal Reduction	Annual Payments	Ending Balance
1	\$7,000,000.00	\$70,000.00	(\$70,000.00)	\$0.00	\$7,070,000.00
2	\$7,070,000.00	\$70,700.00	(\$70,700.00)	\$0.00	\$7,140,700.00
3	\$7,140,700.00	\$71,407.00	\$682,522.93	\$753,929.93	\$6,458,177.07
4	\$6,458,177.07	\$64,581.77	\$689,348.16	\$753,929.93	\$5,768,828.90
5	\$5,768,828.90	\$57,688.29	\$696,241.65	\$753,929.93	\$5,072,587.26
6	\$5,072,587.26	\$50,725.87	\$703,204.06	\$753,929.93	\$4,369,383.20
7	\$4,369,383.20	\$43,693.83	\$710,236.10	\$753,929.93	\$3,659,147.09
8	\$3,659,147.09	\$36,591.47	\$717,338.46	\$753,929.93	\$2,941,808.63
9	\$2,941,808.63	\$29,418.09	\$724,511.85	\$753,929.93	\$2,217,296.78
10	\$2,217,296.78	\$22,172.97	\$731,756.97	\$753,929.93	\$1,485,539.82
11	\$1,485,539.82	\$14,855.40	\$739,074.54	\$753,929.93	\$746,465.28
12	\$746,465.28	\$7,464.65	\$746,465.28	\$753,929.93	\$0.00
Totals		\$539,299.34	\$7,000,000.00	\$7,539,299.34	

Note 1: The interest rate to be applied will be determined at the time the loans are made.

EXHIBIT A

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS STATE ROUTE 126/COMMERCE CENTER DRIVE INTERCHANGE IMPROVEMENTS PROJECT FUNDING PLAN

Grant Funds—MTA's 2001 CFP	\$ 9,200,000
Advance Funding of the Fifth District's Road Construction funds currently available	\$14,000,000
Advance Funding of the Fifth District's Road Construction funds at \$2.6 m/year over next three years	\$7,800,000
Loans from the Valencia, Eastside, and Bouquet Canyon B&T Districts	\$21,000,000
Newhall Land	<u>\$3,000,000</u>
Total Project Cost	\$55,000,000