



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: July 7, 2016

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: To approve Amendment No. 4 of the Carson City Freeway Agreement with the State of Nevada, Department of Transportation. This amendment will specify when the State-owned portions of South Carson Street and Snyder Avenue will transfer to the City, when the remaining payments to the State will resume in the future, and provide for a transfer of funds from the State to the City in lieu of a previously agreed-upon pavement improvement project on South Carson Street. (Darren Schulz, dschulz@carson.org)

Staff Summary: The current Freeway agreement does not account for the current and future phasing of the overall project or the City's desire to modify the design of South Carson Street following the opening of Phase 2B-3 to traffic. A significant reduction in traffic is expected and the transfer of the street from the State to the City needs to be clarified. The proposed amendment would modify the agreement to account for those factors.

Agenda Action: Formal Action/Motion

Time Requested: 15 minutes

Proposed Motion

Move to approve Amendment No. 4 of the Carson City Freeway Agreement with the State of Nevada, Department of Transportation. This amendment will specify when the State-owned portions of South Carson Street and Snyder Avenue will transfer to the City, when the remaining payments to the State will resume in the future, and provide for a transfer of funds from the State to the City in lieu of a previously agreed-upon pavement improvement project on South Carson Street.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

Original Agreement: April 1997

Amendment 1: October 2004

Amendment 2: December 2007

Amendment 3: September 2009

Background/Issues & Analysis

The Carson City Freeway southern section (Fairview to US 50 West - Phase 2B-3) is expected to open to traffic in the Spring of 2017. Consistent with the amended Carson City Freeway Agreement between the State and Carson City, the Nevada Department of Transportation had been preparing to undertake a significant repaving project on Carson Street. Per the Agreement, the Department intended to complete a project valued at over \$5 million to repair sidewalks, mill-off the surface of the road, perform base patching, re-pave the milled portion, and re-stripe the road. The project would be on South Carson Street south of Fairview Drive. The proposed project would have addressed the pavement condition and sidewalk issues, but would not address other

deficiencies with that section of road and would not address the expected significant change in traffic volumes expected when the last section of the freeway opens to traffic.

If the proposed amendment is approved, the State will implement a much smaller (approximately \$1 million project) in 2016 to preserve the pavement. However, rather than completing the larger project, the State will provide funding in the amount of \$5,128,847.34 to the City for a future project in this corridor. The funding would be restricted to use in this corridor and a project would need to be underway by 2019. The funding from the State would be consistent with the Carson City Infrastructure Tax (1/8th cent) cost summary, which estimated \$5,008,000 of State funds. City staff would undertake the planning, design, and construction of a project to modify and improve the street using the State funds, the infrastructure tax funds, utility funds as needed, and potentially Federal grant funds to be pursued.

An additional element of the proposed agreement is that it would clarify that the remaining \$7,127,340 the City owes to the State per the agreement for the construction of the freeway would not be payable until after the completion of the interchange at the south terminus of the freeway project. That interchange - Phase 2B-4 - is planned, but not programmed or funded at this time.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: RTC Fund

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: If approved, the amendment would result in an increase to the RTC of \$5,128,847.34 to be used only for a project to improve the portion of South Carson Street to be relinquished to Carson Street between Fairview Drive and approximately Snyder Avenue.

Alternatives

Modify proposed agreement amendment, which would require further negotiations with the State.

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

Carson City Board of Supervisors— Update on Freeway

May 5, 2016

Carson City Freeway – Timeline

Carson City Freeway Agreement & Amendments									
Original Agreement	Amendment 1		Amendment 2	Amendment 3		Amendment 3			Future Date to be Determined
1997	2004	2006	2007	2009	2011	2014	2016	2017	
		Phase 1A & 1B Open to U.S. Hwy 50		Phase 2A Open to Fairview Drive	Phase 2B-1 Bridges & Drainage	Phase 2B-2 Bridge & Drainage		Phase 2B-3 Earthwork retentions, Open to Spooner	Phase 2B-4 Spooner Interchange

Carson City Freeway Phases

Carson City Freeway – Progress

- ▶ Phases 1A & 1B open to U.S. Highway 50 – 2006
- ▶ Phase 2A open to Fairview Drive – 2009
- ▶ Phase 2B-1 (bridges & drainage) – 2011
- ▶ Phase 2B-2 (bridge & drainage) – 2014
- ▶ Phase 2B-3 (earthwork, sound walls, & roadway) – under construction; open to traffic 2017
- ▶ Phase 2B-4 (Spooner interchange) – planned, not scheduled at this time. Estimated cost: \$20–25 million



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Carson City Freeway Agreement

(agreement and amendments all approved by action of the Board)

- ▶ Original agreement with NDOT on 4/1/97. Carson City to fund \$19M (plus interest) of Phase 1 of freeway through 5-cent increase in fuel tax.
- ▶ Amendment 1 (10/14/04) suspended payment for 3 years to allow for construction of improvements on Fairview Drive. City also agreed to fund additional \$15M for Phase 2 of freeway through 3-cents of fuel tax. Article III, para. 2 – agreement for future transfer of Carson Street
- ▶ 11/10/04 Board of Supervisors voted to remove sunset of 5-cent fuel tax to fund roadway projects into the long term future.

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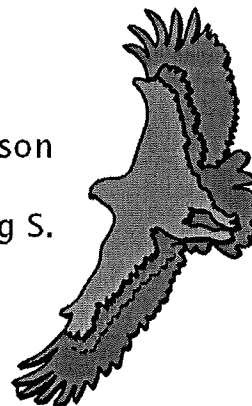
Carson City Freeway Agreement (continued)

- ▶ Amendment 2 (12/27/07) deferred 3-cent payment to 7/1/09 to complete Fairview Drive improvements and City agreed to take ownership of several State roads in lieu of remaining payments for Phase 1 (\$4.8M).
- ▶ Amendment 3 (9/4/09) provided for City to take over remaining State roads and forego pavement rehab of Carson Street by NDOT in exchange for a \$7.8M reduction in the \$15M owed for Phase 2 of freeway. Deferred 3-cent payment for remaining \$7.127M until completion of freeway.

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Carson City Freeway Agreement- Future Amendment

- ▶ The Freeway agreement and amendments did not anticipate NDOT phasing of remainder of Freeway.
Phase 2 → 2A, 2-B1/2/3/4
- ▶ 1/8 cent sales tax implemented by Carson City in 2014 for capital improvements included funding for corridors including S. Carson Street. Estimated funding to complete S. Carson Street corridor improvements presented to the Board estimated approximately \$5.0M State Nevada.



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Carson City Freeway Agreement- Future Amendment

- ▶ NDOT is working with the City to develop Amendment #4
- ▶ Expected terms:
 - S. Carson Street transfer to the City (as already agreed upon in amendment #1) after completion and opening of Phase 2B-3.
 - NDOT would perform minor maintenance activities only on s. Carson Street before transfer.
 - NDOT would provide \$5M payment to City in lieu of resurfacing project. Funds restricted to use on S. Carson Street (Fairview - Snyder) for project to begin by 2019.
 - Remaining \$7.127M in payments through 3 cent RTC gas tax do not begin until Phase 2B-4 complete.

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Potential Design of S. Carson Street

- ▶ City developed limited complete streets concepts previously.
- ▶ Carson City RTC will develop conceptual design and cost estimates through CAMPO-funded complete street corridor study.
- ▶ Additional grant funding will be pursued.
- ▶ Design will be completed through a separate effort and then construction initiated.

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**Amendment No. 4 to Highway Agreement No. R159-97-060
As Amended By
Highway Agreement No. R386-04-002**

This Amendment is made and entered into on _____, between the State of Nevada, Department of Transportation, hereinafter referred to as "NDOT", and Carson City, Nevada, a consolidated municipality under the Nevada Revised Statutes, hereinafter referred to as "CARSON".

WITNESSETH:

WHEREAS, on April 1, 1997, the parties entered into Agreement No. R159-97-060 to facilitate the construction of Phase 1 of the Carson City Freeway (Carson City Bypass), a limited access freeway passing downtown Carson City on the east side of Carson City, from US-395 north at Lakeview Hill to the intersection of US-395/US-50 south, which included preliminary engineering, right-of-way acquisition, construction, and construction engineering; and

WHEREAS, on October 14, 2004, the parties entered into Agreement No. R386-04-002, constituting Amendment No. 1 to Agreement No. R159-97-060, for the purpose of addressing construction of Phase 2 of the Carson City Freeway (Carson City Bypass) and addressing CARSON's financial contribution to Phase 2; and

WHEREAS, on December 27, 2007, the parties entered into Amendment No. 2 to Agreement No. R159-97-060 as amended by Agreement No. R386-04-002, in order to modify CARSON's remaining Phase 1 funding obligation by identifying certain portions of State highways, along with attendant maintenance responsibilities, to be relinquished to CARSON by NDOT; and

WHEREAS, on September 4, 2009, the parties entered into Amendment No. 3 to Agreement No. R159-97-060 as amended by Agreement No. R386-04-002, in order to modify CARSON's remaining Phase 2 funding obligation, whereby additional State highways, along with attendant maintenance responsibilities, were relinquished to CARSON; and

WHEREAS, NDOT has proceeded with the construction of Phase 2 of the Carson Freeway (Carson City Bypass) in four (4) sub phases – 2B-1, 2B-2, 2B-3, and 2B-4 as shown on Exhibit 1, attached hereto and incorporated herein; and

WHEREAS, sub phases 2B-1 and 2B-2 are complete, and 2B-3 will open the freeway to traffic in 2017; and

WHEREAS, sub phase 2B-4 which will provide an interchange and complete Phase 2B is not programmed to be completed as of 2016; and

WHEREAS, the parties now desire to make certain modifications and amendments to Highway Agreement No. R159-97-060 as amended by Highway Agreement No. R386-04-002, providing for the transfer from NDOT to CARSON of portions of State highways and their attendant maintenance duties, obligations and responsibilities, and provide for the modification of CARSON's remaining funding obligations for PHASE 2 of the Carson City Freeway (Carson City Bypass); and

WHEREAS, NRS 408.527 provides a procedure for the relinquishment of portions of State highways.

NOW THEREFORE, the parties agree as follows:

1. Article I, Paragraph 1, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: "NDOT shall relinquish to CARSON and CARSON shall accept the ownership of those certain portions of State highways identified in Attachment "A"-

Summary of Right of Way, and Exhibit 2, attached hereto and incorporated herein, together with all of their attendant maintenance duties, obligations and responsibilities.”

2. Article I, Paragraph 2, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “The maintenance duties, obligations and responsibilities for those portions of State highways identified in Attachment “A” and Exhibit 2 shall be transferred from NDOT to CARSON upon the completion and opening of Phase 2B-3 to traffic, the recordation of the Resolution Consenting to Relinquishment and Land Transfer Agreement (Relinquishment) for each portion of highway to be transferred, and Relief of Maintenance from the District Engineer.”

3. Article I, Paragraph 3, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “NDOT shall provide CARSON with copies of records regarding those certain portions of State highways to be relinquished from NDOT to CARSON as identified in Attachment “A” and Exhibit 2, attached hereto and incorporated herein, which records shall include but not be limited to legal descriptions, right-of-way maps, permits, maintenance records, as-built plans, and structural details.”

4. Article I, Paragraph 4, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “NDOT shall prepare, all legal descriptions and maps necessary for the relinquishment of those certain portions of State highways identified in Attachment “A” and Exhibit 2, attached hereto and incorporated herein.”

5. Article I, Paragraph 5, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “NDOT shall provide CARSON with legal descriptions and maps for CARSON’s review and comment prior to NDOT’s relinquishment to CARSON of those portions of State highways identified in Attachment “A” and Exhibit 2, attached hereto and incorporated herein.”

6. Article I, Paragraph 6, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “The parties hereto shall complete the relinquishment of those certain portions of State highways as identified in Attachment “A” and Exhibit 2, together with the relinquishment and transfer of their attendant maintenance duties, obligations and responsibilities, upon Relief of Maintenance from the District Engineer. Before relinquishment, NDOT will conduct plantmix patching and microsurfacing of the roadway, and replace of substandard curb and ADA ramps.”

7. Article I, Paragraph 7, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “The parties hereto shall comport with the requirements of NRS 408.527 in facilitating NDOT’s relinquishments to CARSON of those portions of State highways identified in Attachment “A” and Exhibit 2, attached hereto and incorporated herein. NDOT shall prepare a Relinquishment for issuance by its Board of Directors. Should NDOT’s Board of Directors approve the Relinquishment relating to those portions of State highways identified within Attachment “A” and Exhibit 2, NDOT shall cause a certified copy or copies of the Relinquishment to be filed with CARSON’s legislative body. NDOT shall record the Relinquishment in the office of the Carson City Recorder, and upon recordation, all right title and interest of NDOT in and to said portions of highway shall vest in CARSON. CARSON’s duty to maintain those portions of State highways shall commence upon the recordation of the Relinquishment for each portion of State highway transferred.”

8. Article I, Paragraph 11, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: “NDOT shall pay CARSON a sum not to exceed Five Million Five Hundred Thousand and No/100 Dollars (\$5,500,000.00) upon Relinquishment relating to those portions of State highways identified within Attachment “A” and Exhibit 2, in lieu of NDOT’s performance of pavement surfacing of Carson Street which was to be undertaken by NDOT, and which sum represents the estimated costs for the most appropriate pavement

surfacing strategy in accordance with current NDOT standards, including, at a minimum, a two (2) inch overlay. Through NDOT's provision of said payment, NDOT shall be deemed to have fulfilled its obligation to rehabilitate the State highway pavement from Fairview Drive in the north to the new at-grade intersection with the Carson City Freeway/U.S. Highway 50 West in the south, hereinafter referred to as Spooner Interchange.

(A) Upon recordation of the Relinquishment and Relief of Maintenance from the District Engineer, CARSON CITY shall invoice NDOT for the total sum of Five Million Five Hundred Thousand and No/100 Dollars (\$5,500,000.00).

The payment to CARSON CITY is being reduced to collect the outstanding balance of Invoice number 03327J0901 (\$371,152.66). Therefore, the total payment amount to CARSON CITY will be in the amount of (\$5,128,847.34).

(B) CARSON shall utilize the funds identified in Article I, Paragraph 11, of this Amendment, for improvements to include a Complete Streets Project, within the relinquished State highways area identified within Attachment "A" and Exhibit 2 only. CARSON agrees to have its Complete Streets Project under construction by the end of 2019."

9. Article I, Paragraph 12, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: "NDOT shall defer until after the completion of the Carson City Freeway (Carson City Bypass), including a full interchange at Carson Street/U.S. Highway 50 West at the southern terminus of the Carson City Freeway, CARSON's payment of its remaining funding obligation of Seven Million One Hundred Twenty-Seven Thousand Three Hundred Forty and No/100 dollars (\$7,127,340.00), relating to CARSON's contribution to Phase 2 of the Carson City Bypass Project, as required pursuant to Agreement No. R159-97-060, as Amended by Agreement R386-04-002."

10. Article I, Paragraph 13, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: "The parties agree that should any alternative funding sources, not yet identified, be made available for the Carson City Freeway (Carson City Bypass) Project, NDOT shall consider the application of that funding toward CARSON's funding obligations for Phase 2 of the Carson City Freeway (Carson City Bypass) Project, as required pursuant to Article II, Paragraph 4 of Agreement No. R386-04-002, said Agreement constituting Amendment No. 1 to Agreement No. R159-07-060."

11. Article I, Paragraph 15, provided in Amendment No. 3 is amended by deleting it in its entirety and inserting in its place: "All notices or other communications required or permitted to be given under Agreement No. R159-97-060, as amended by Agreement No. R386-04-002, shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below, or provided by e-mail at the address set forth below:

FOR DEPARTMENT: Rudy Malfabon, P.E., Director
Nevada Department of Transportation
1263 South Stewart Street
Sparks, NV 89431
Telephone: (775) 888-7440
Fax: (775) 888-7201
E-mail: rmalfabon@dot.state.nv.us

FOR CITY: Nick Marano, Carson City Manager
Attn: Darren Schulz
3505 Butti Way
Carson City, NV 89701-3498
Telephone: (775) 887-2355

Fax: (775) 887-2112
E-mail: dschulz@carson.org”

12. Article III provided in Agreement R159-97-060 is amended by adding Paragraph 17: “NDOT certifies that to the best of its knowledge, the property being relinquished to CARSON is free and clear of hazardous wastes, regulated materials or other harmful substances, with the exception of the area identified in the following paragraph. CARSON acknowledges that it is consenting to acceptance of NDOT’s relinquishment of the property in an “AS-IS” condition. In the event that hazardous wastes, regulated materials or other harmful substances are discovered subsequent to the transfer of title of the subject property, CARSON agrees to assume any and all cleanup costs associated therewith.”

13. Article III provided in Agreement R159-97-060 is amended by adding Paragraph 18: “CARSON acknowledges that there may be hazardous wastes and/or regulated materials present on the property for which it is consenting to acceptance of relinquishment from NDOT in the area of the underground storage tank (UST) system located at 4385 South Carson Street, Carson City, NV 89701. CARSON agrees to take any actions necessary in respect to the UST system in accordance with all the applicable Environmental Protection Laws, Standards, and Regulations. CARSON acknowledges that it is taking the subject property with full knowledge of the risk of possible presence of hazardous wastes and/or regulated materials in, around, and/or under the UST system and further agrees to hold NDOT harmless and indemnify and defend NDOT against any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising from or incurred because of, or incident to, or otherwise with respect to hazardous waste or regulated materials that may be present in, around, and/or under the UST system and/or the adjoining property.”

14. This Amendment shall not become effective until and unless approved by appropriate official action of the governing body of each party.

IN WITNESS WHEREOF, the above named parties have hereunto set their hands and executed this Amendment the date first written above.

CARSON CITY

State of Nevada, acting by and through its
DEPARTMENT OF TRANSPORTATION

Director

Reviewed and Recommended:

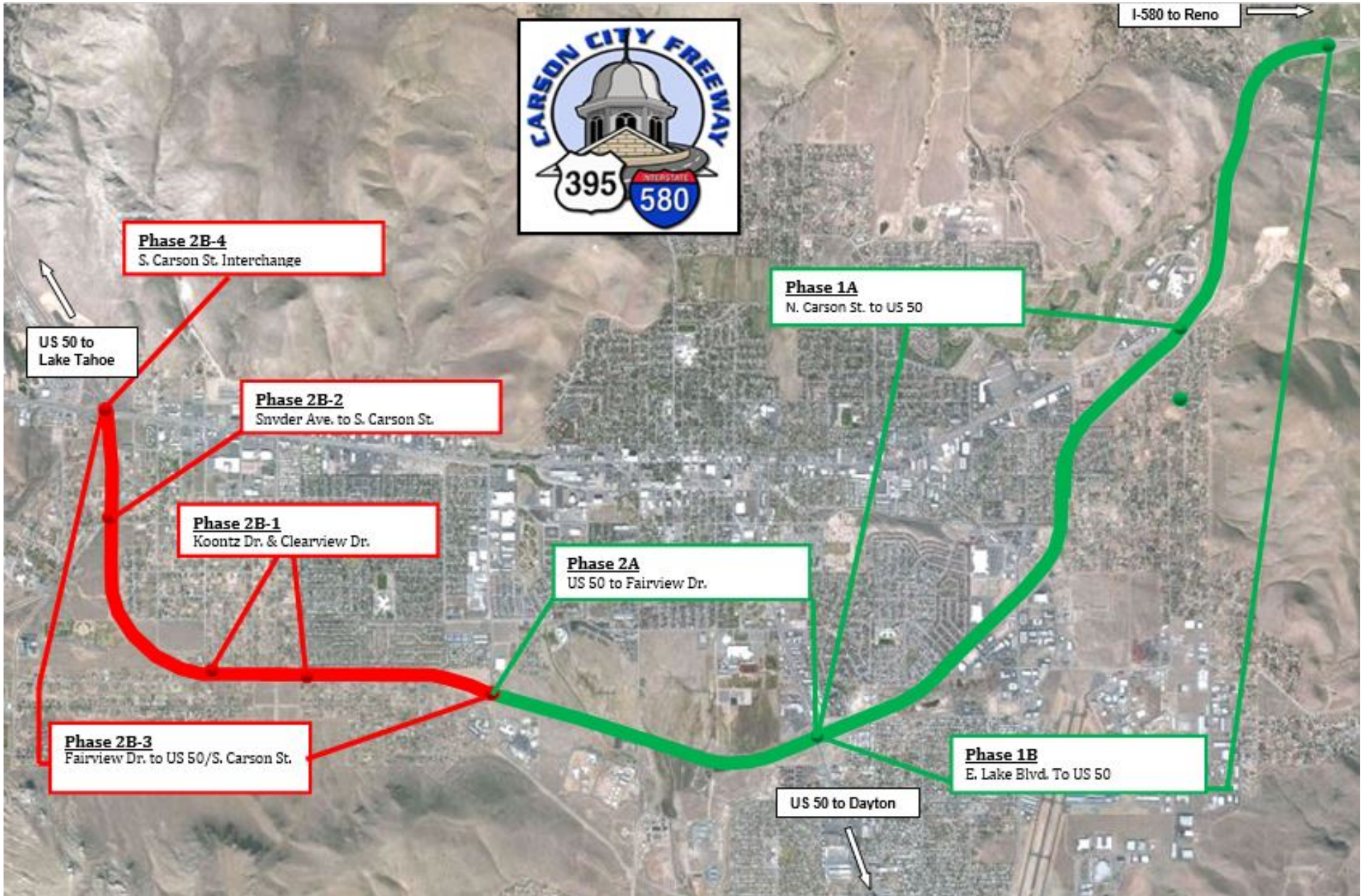
Deputy Director

Approved as to Legality and Form:

Deputy Attorney General

Clerk Recorder, Date

EXHIBIT 1



ATTACHMENT A

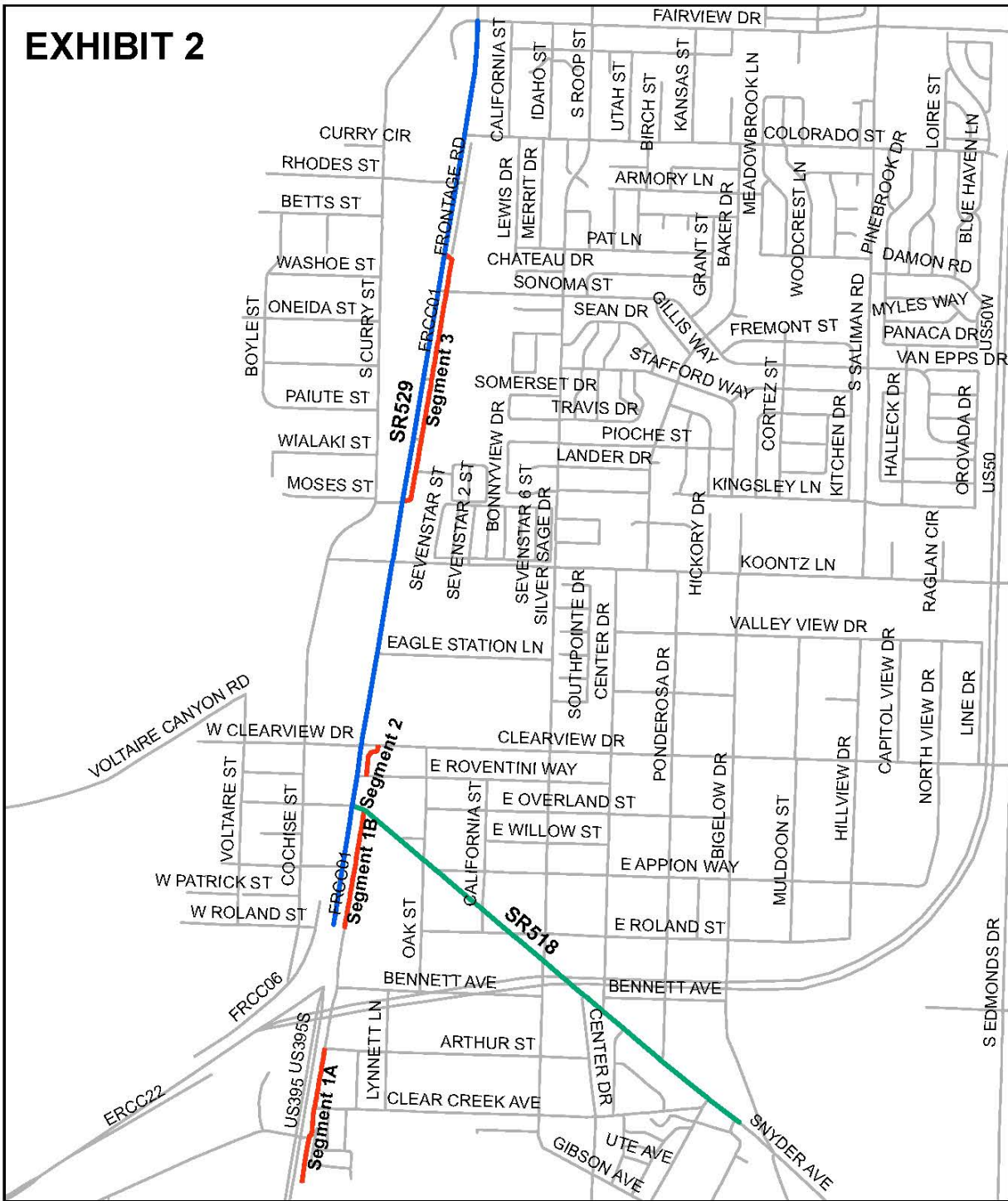
Summary of Right of Way

Roads to be transferred to Carson City upon completion of Carson Freeway Phase 2B-3

Location:	From*	To*	Length (mi.)*
SR 518 Snyder	Carson St.	Jacobsen Way	1.017
Carson Street	South ROW line of Fairview	North ROW line of Spooner Interchange	1.750
FRCC01- the following three segments of this frontage road falls within Carson Street Right-of-Way and will be transferred with the portion of Carson St. from Fairview Ave. to Spooner Junction.			
Segment 1a.	0.096 Miles S. of Lupin Dr.	Arthur Dr.	0.287
Segment 1b.	Roland St.	Snyder Ave.	0.245
Segment 2	Roventini Way	Clearview Dr.	0.074
Segment 3	S. Carson St. (past Koontz Ln./Moses Ave.)	S. Carson St. (near Sonoma)	0.519
Total to be transferred to City upon completion of Carson Freeway Phase 2B-3			3.892
*Notes:			
1) Termini shown are approximate and only for reference. Actual limits will be defined in right-of-way documents.			
2) Length shown is approximate and only for reference. Actual lengths will be defined in right-of-way documents.			
3) Actual conveyance of the properties will occur upon recordation of the resolution.			
4) There will be no transfer of ownership of any portion of roadways falling within Carson Freeway right-of-way.			

Carson City /NDOT Road Transfer

EXHIBIT 2



SR518/Snyder St : SR529/Carson St to Jacobsen Way

SR529/Carson St ; South ROW line of Fairview to North ROW line of Spooner Interchange

FRCC01

Segment 1A : 0.096 miles south of Lupin Dr, East Side of US395 to Author St: 0.287

Segment 1B : Roland St, East Side of US395 to SR518/Snyder Ave: 0.245

Segment 2 : Roventini Way, East Side of US395 to Clearview Dr: 0.074

Segment 3 : East of SR529/S. Carson St past Koontz Ln/Moses Ave to SR529/ S. Carson St near Sonoma St: 0.519

