



# Memo

To: Clay Pearson, City Manager

From: Cara Davis, Sr Project Manager – Engineering & Capital Projects

CC: Trent Epperson, Deputy City Manager  
Robert D Upton, P.E., Director of Engineering & Projects  
Skipper Jones, Assistant Director of Capital Projects  
John McCarter, Interim Director of Finance  
Clarence Wittwer, Director of Public Works  
Eric Hammond, Assistant Director of Public Works

Date: February 4, 2021

Re: Smith Ranch Road Widening Project

4 February 2021  
To: Mayor and City Council members  
Continuing to work through the timing and funding requirements of outside funding for Smith Ranch Road widening project (FM 518 Broadway to Hughes Ranch Road). Clay

## Purpose

This memo provides information about the progress on the Smith Ranch Road Widening project's current status and the forthcoming proposed contract amendment for additional design services associated with right-of-way acquisition. This contract is scheduled for presentation to Council on the February 22, 2021 meeting agenda.

## Background

The Smith Ranch Road Widening project encompasses the expansion of approximately 3,250 LF of two-lane asphalt roadway to a four-lane concrete curb and gutter divided roadway with raised medians, including storm sewers, sidewalks, and landscaping. The project extends from 2,040 LF north of FM 518 to Hughes Ranch Road. Additionally, approximately 7,000 LF of fiber will be installed from FM 518 to the Westside Event Center. In accordance with the City's Thoroughfare Plan, the project improves north/south access outside of the 288 Corridor and will form an integral component for access to the 288 Toll Lanes via the T-Ramp intersection at Smith Ranch Road and Hughes Ranch Road, as well as improved access to the Westside Events Center and the McHard Road corridor. Increased demand for access requires expansion of this roadway. The project was submitted to the 2015 Call for Projects for Houston-Galveston Area Council (HGAC) Transportation Improvement Program (TIP) for funding and was awarded \$3,724,657 in federal Surface Transportation Block Grant funding and \$262,934 in State Texas Mobility Funding.

In October 2016, Council awarded the design contract for Smith Ranch Road Widening to Dannenbaum Engineering Corporation. The contract scope of services included Basic Services, Additional Services, and Services to be Authorized when Required. Basic Services included preliminary engineering, preparation of plans, specifications, and cost estimates. Additional Services included geotechnical investigation, design survey, utility coordination, storm water pollution prevention plan, traffic control plan, Texas Accessibility Standards (TAS) review, environmental permitting and clearances, drainage impact study, landscaping and irrigation plans, subsurface utility engineering, and illumination and fiber optic plans. Services to be Authorized when Required included right-of-way (ROW) acquisition, parcel appraisal and 3<sup>rd</sup> party parcel



appraisal review, abstracting services and title preparation, as well as Bid Phase and Construction Administration Phase services, construction materials testing, and public meetings.

The Notice to Proceed was issued in early November 2016. Design progressed as planned and in November 2018 Staff was informed by the TxDOT project manager that the ROW maps were approved at the district level but the City could not purchase the ROW until the project was Environmentally (NEPA) Cleared. At that time, TxDOT agreed to allow the City and Dannenbaum to begin preliminary acquisition processes which included title work and property appraisals prior to final environmental clearance but the official full Letter of Authority (LOA) would be needed before making offers. By mid-January 2019 parcel mapping and title work were complete, and the appraisers began contacting property owners to do site evaluation inspections for appraisal reports. The Environmental NEPA clearance was received on February 26, 2019 clearing the way to begin Right of Way (ROW) acquisition. In early March 2019, TxDOT began the process to request the Full Authority to Proceed from their ROW Division in Austin.

However, the project ran into an issue with funding sources provided by TxDoT and the MPO. In early April 2019, TxDOT informed City Staff that there was an issue with the funding on the project. The project had been originally funded with Surface Transportation Project- Metropolitan Mobility funds and Texas Mobility Funds. Later TxDOT's Legal Department approved the replacement of Texas Mobility Funds with Congestion Mitigation and Air Quality (CMAQ) funds to use those before they expired but, sometime later these CMAQ funds were removed and used to fund the SH290 project as a matter of expedience. The funding gap was then filled with TMF funds again to make the project whole. When the District office requested authorization for the City to move forward with ROW property acquisition, TxDoT Legal determined that the TMF funds could not be used to purchase OFF-System Right of Way and that these would have to be replaced again with Surface Transportation Block Grant, (STBG) Category 7 funds. The funding replacement had to be re-approved through Houston-Galveston Area Council (H-GAC)'s Transportation Policy Committee via amendment to the TIP. This stopped the project from moving forward with the acquisition phase but, parcel surveys, title work and appraisals had already been authorized and were underway at that time.

The TIP amendment(s) required two actions, the first amendment canceled the original agreement and the second Amendment made the necessary changes to the funding source so the project could move forward. Staff put the request in on April 10, 2019 and the motion was to be on the TPC's May meeting agenda. On May 30<sup>th</sup> the City was informed that the May Administrative Amendment had been written incorrectly by the HGAC staff. The TMF funds should have been removed from the project and replaced with STBG, Category 7 funds. In June 2019 TxDOT began working with HGAC to provide the correct verbiage on the amendment to be approved by the TPC. After several iterations of this amendment it was finally approved on October 31, 2019 and the AFA amendment was requested from TxDOT.

The revised AFA amendment was finally received from TxDOT on February 13, 2020 and approved by Pearland City Council at the first meeting in March 2020. City staff forwarded the partially executed AFA to TxDOT immediately for their execution. After several inquiries with TxDOT regarding the status of the documents it was discovered that during the time the documents were transmitted to TxDOT, employees began working from home due to COVID19 and the documents remained at TxDOT's Houston District office with no action haven been taken. The documents were resubmitted to TxDOT electronically and a DocuSign process was set up with TxDOT for the City to re-execute the documents electronically. The fully executed AFA amendments were finally received from TxDOT on May 1, 2020. The Full Authority to Proceed was



requested from TxDOT upon receipt and transmittal of the executed AFA documentation to TxDOT's Houston District ROW office. However, due to some confusion regarding the status of the approved right-of-way maps TxDOT would not release the Letter of Authority.

Due to the time delay associated with correction of the project funding and receiving the revised AFA from TxDOT, the prior work done on the appraisals and title searches for the preliminary right-of-way acquisition services had expired. In order to try to recover some of the project schedule lost due to the delays associated with the project funding and AFA amendments, City staff worked with Dannenbaum to utilize unused funds remaining in the right-of-way line items of the contract to start ownership verification of the title commitments created in January 2019. These services were provided, and a listing of all parcels was sent to TxDOT reflecting which parcels ownership remained unchanged and which parcels would need revisions. After close coordination with TxDOT's office, the City received a Statutory Letter of Authority to proceed with ROW for approved parcels on September 3, 2020 approximately 15 months after the initial funding issue caused by HGAC and TxDOT was discovered.

A contract amendment to add additional services to re-perform the expired appraisals was discussed with Dannenbaum and recently finalized. Presented for Council consideration on February 22<sup>nd</sup> is a request for additional services for ROW acquisition, as well as services requested of the engineer during the design process to get to an accepted 90% plan status.

### **Summary of Project Timeline Related to Land Acquisition**

- March 2015 City receives Original AFA funding the project with Surface Transportation- Metropolitan Mobility funds and Texas Mobility (bond) funds
- Later, The Texas Mobility Funds were replaced with Congestion Mitigation and Air Quality (CMAQ) funds to use these before they expired.
- The SH290 project offered an opportunity to use the CMAQ funds immediately and these were once again replaced with TMF funds
- November 2018 the City is informed that the project ROW Maps have been approved and that initial ROW activities (title research and appraisals) can begin but No Offers can be made prior to approval of the Environmental document.
- January 2019, title work and appraisals on all parcels are complete but no offers can be made until Environmental approved
- February 2019, the projects receives the environmental approval in the form of a Finding of No Significant Impact (FONSI)
- In March 2019, TxDOT District requests authority to proceed with ROW acquisition and is told that Texas Mobility Funds (TMFs) may not be used to acquire Off-System ROW and suggests replacing with State Transportation Block Grant, Category 7 funds requiring amendments to the TIP.
- April 2019, City Staff request HGAC prepare the funding amendment for the TPC approval
- May 2019, the TPC Meets and approves the requested amendment but TxDOT discovers that a mistake was made and TMF funds were not removed from the project.
- June 2019, the amendment process restarts with TxDOT working with H-GAC to re-write the amendment.
- Revised Amendment is finally approved October 31, 2019 and TxDOT begins work on revising the AFA with the City to modify the funding sources.



- The amended AFA is received from TxDOT on February 13, 2020 and scheduled for the March Council agenda where it was approved and executed by the City.
- March 2020, the amended AFA is transmitted back to TxDOT District Office and lost due to TxDOT employees working from home.
- An electronic document was re-transmitted to TxDOT for their execution with the City finally receiving a fully executed copy in May 2020
- September 2020, the City receives Authorization to begin ROW acquisition for those parcels that have not changed ownership or have no changes to boundaries.
- All previously completed ROW title work and appraisals are over one year old and out of date requiring that all work be reperformed.

### **Proposed Amendment**

Along with the additional right-of-way related services the scope of the proposed Amendment includes additional project management meetings necessary due to the prolonged nature of the project, and additional design services to add fiber optic cable based on the City's current fiber optic networking plan and need to tie in the signals to the City's network.

Due to changes in ownership as well as design changes through the plan review and revision process there are additional services for surveying and right-of-way mapping totaling \$70,762 that will be billed as lump sum. As noted previously, appraisals done in 2019 have expired and need to be performed again. There were funds remaining in the original contract for these services so an increase of \$83,000 is requested which will be paid on a not to exceed basis. There are also cost increases for these services since the original proposal: for services related to 3<sup>rd</sup> party appraisal reviews an additional \$34,600 and title services of \$16,653, must be added to the contract. Additional Fees for Acquisition Project Administration are also proposed to cover services related to negotiations, relocation services, title services and project management. There was approximately \$128,000 remaining in the contract, out of the original \$155,000 since only preliminary services had been performed, so the requested increase is \$39,805.80. Due to the length of time and amount of coordination that will be necessary to bring this project to bid ready status, additional project management hours are requested in the amount of \$7,761.91. A fiber run was also added to the project to close the main loop in that system and provide connectivity to the signals on Hughes Ranch Road. This added an additional lump sum total of \$2,526. The total contract amendment requested is \$255,109.15 which can be funded from the project contingency as noted below in the budget table.

### **Summary of Amendment**

• Task 3 Surveying and ROW Map	\$ 70,762.00
• Task 3 ROW Acquisition	\$ 83,000.00
• Task 3 Parcel Appraisal Review	\$ 34,600.00
• Task 3 Abstracting Serv. & Titles	\$ 16,653.00
• Task 3 Acquisition Project Administration	\$ 39,805.80
• Task 4 Project Management	\$ 7,761.91
• Task 8 Illumination	<u>\$ 2,526.00</u>
• Total Amendment Request	\$255,109.15



## Next Steps

Staff expects to bring this amendment to Council on the February 22<sup>nd</sup> Agenda for consideration and award. The project is currently at 90% design and TxDOT has issued the Letter of Authority to start right-of-way acquisition. As mentioned above, Dannenbaum has continued to advance the ROW portion of the project using the remaining funds in the contract. Title reports have been re-confirmed to verify ownership and preliminary revised ROW maps have been submitted to TxDOT for review and approval. Appraisals and appraisal reviews are in process and are scheduled to complete by early March. Initial offers will start to go out as soon as appraisals are approved by TxDOT with Final offers scheduled for release in the summer of 2021. First acquisitions should be acquired in early summer for those parcels that can be negotiated quickly, while those requiring condemnation are scheduled for a February 2022 completion.

The 95% plan submission is scheduled for the summer of 2021 to coincide with the start of property acquisition. The 100% submittal is scheduled for October 2021 with letting scheduled for early 2022. Construction is planned for 12 months and is scheduled for completion in the summer of 2023.

**Staff will also be submitting to HGAC, a request to fund the amendment cost at an 80/20 split since this is not a fault of the City but due to issues between HGAC and TxDOT. HGAC has traditionally shared cost overruns of this nature with the project sponsor.**

## Budget Info

Funding Sources	Series	To Date	Future	Total Budget
General Revenue - Cash				-
Certificates of Obligation			1,227,904	1,227,904
General Obligation Bonds	2015	114,700		114,700
General Obligation Bonds	2017	609,628		609,628
General Obligation Bonds	2018	716,000		716,000
General Obligation Bonds			2,340,881	2,340,881
Other Funding Sources (Hughes Ranch Rd)		201,505		201,505
Other Funding Sources (Old Alvin)		609,700		609,700
Other Funding Sources (Traffic Improv)		91		91
Other Funding Sources (TIP)		868,376	3,031,215	3,899,591
<b>Total Funding Sources</b>		<b>3,120,000</b>	<b>6,600,000</b>	<b>9,720,000</b>

Expenditures	To Date	Future	Total
PER			-
Land	4,146	1,200,000	1,204,146
Design	1,142,289	255,107	1,397,396
Construction	45,369	5,491,223	5,536,592
Construction Management/Inspection		400,000	400,000
Construction Materials Testing		75,000	75,000
FF&E			-
<b>Total Expenditures</b>	<b>1,191,804</b>	<b>7,421,330</b>	<b>8,613,134</b>

<b>Project Balance/Contingency</b>	<b>1,106,866</b>
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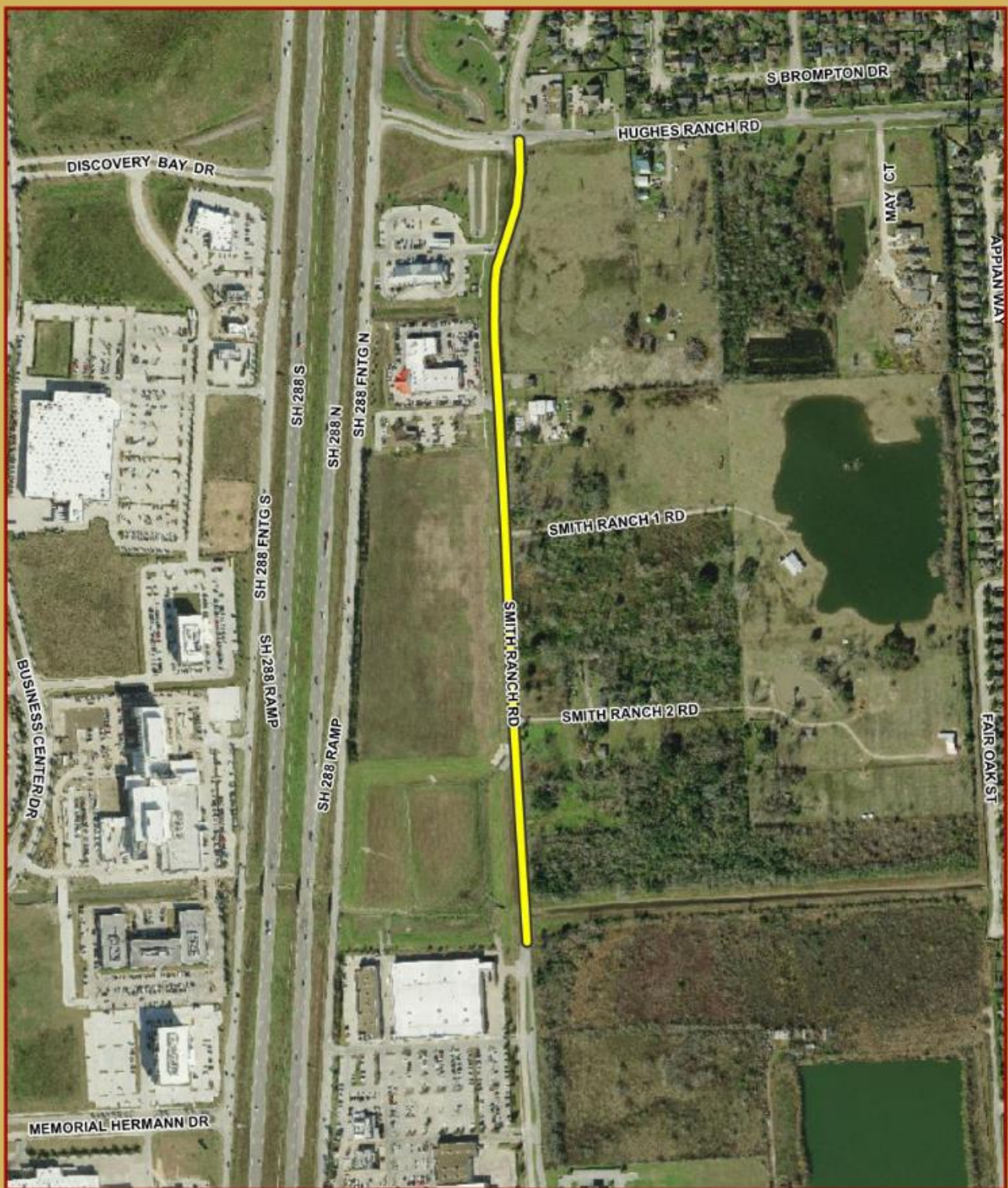


## Schedule Info

	<b>Base Line</b>	<b>Current</b>
<b>Design Start</b>	November-16	November-16
<b>Bid Start</b>	November-18	September-21
<b>Construction Start</b>	January-22	
<b>Proposed Construction Completion</b>	October-22	

## Recommendation

At the February 22, 2021 City Council meeting, Staff will recommend that Council authorize award of a contract amendment to Dannenbaum Engineering Corporation for ROW and Design Services in the amount of \$255,109.15. Following this authorization, the remainder of the design changes and additional services related to right-of-way will begin.



**CITY OF PEARLAND**

**Smith Ranch Rd Widening**

 Project Area



1 inch = 500 feet

MAY 2018  
 GIS DEPARTMENT

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.