

January 16, 2007

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
January 23, 2007

PCH RELINQUISHMENT

Recommendation:

It is recommended that the City Council consider the benefit limits versus the liabilities of taking ownership of the PCH corridor within the City and then direct staff to do one of the following:

1. Authorize the selection of an engineering consultant to prepare the technical report necessary to negotiate a fair settlement amount to be paid to the City for relinquishment at an estimated cost of \$30,000; or
2. Notify Caltrans that the City does not wish to pursue relinquishment at this time.

Discussion:

The City has been considering an offer by Caltrans to relinquish the 1.28 mile long PCH right-of-way (see attachment) to the City as a means of maintaining the City's commercial banner program at 1st Street and PCH. Commercial advertising is strictly forbidden within State-owned right-of-way, but Caltrans has allowed the City to continue while we pursue relinquishment.

The relinquishment process is as follows:

- The City submitted a Letter of Interest on March 25, 2004.
- The City must provide Caltrans with an estimate of the cost of improvements necessary to bring the roadway to a "State of Good Repair" for Caltrans to review and to initiate the negotiation of a one-time disbursement amount. Staff is requesting the assistance of an engineering consultant to perform this technical study. This study is estimated to be completed by July 2007, and the negotiations completed by September 2007.
- Upon completion of negotiation of the settlement amount, Caltrans will prepare a cooperative agreement for approval of Council to proceed; the City needs to then work with a legislator (typically our State Assembly person) to introduce a bill to delete the highway from State Highway System and to authorize the relinquishment. A bill would typically be introduced in January 2008, and signed by the Governor in September 2008, becoming effective in January 2009.

Discussion of benefits

- The City could continue its commercial banner program which provides funding up to \$2,500 per month for non-profit organizations such as the Education Foundation, the Chamber of Commerce, and others on PCH. (Commercial banners can continue on Aviation and other locations, regardless.)
- The City would have control over the location of driveways for new developments on PCH.
- Would eliminate the need for lengthy encroachment permit processing for public improvements the City chooses to implement. It should be noted that any significant changes or improvements that impact traffic on this major corridor will also require further studies and full environmental impact analysis and public process for approval.
- A one-time cash disbursement from Caltrans. Caltrans' staff has informed the City that the typical settlement amount ranges from \$2.5 to \$3 million per mile which would be approximately \$3.2 to \$3.8 million for our 1.28 miles stretch of highway. This amount can vary depending upon width and existing condition of roadway. West Hollywood received approximately \$2.8 million per mile for Santa Monica Boulevard and Redondo received \$2.3 million per mile for its portion of Artesia Boulevard. Hermosa Beach received \$4,092,667 for 1,232 feet of ½ right-of-way which equates to approximately \$4 million per mile.

Discussion of liabilities:

- Staff has estimated the cost to rebuild the 1.28 miles of infrastructure to cost \$9,493,768 in today's market. This includes reconstruction of sidewalks, curbs and gutters cross gutters, pavement, traffic signals and storm drains. Obviously, this is not an immediate cost to the City but does give a sense of the value of this infrastructure that will eventually need to be replaced.
- The acquisition of State right-of-way will not increase the City's allotment for Gas Tax revenues, which is population-based. The City's Gas Tax revenue for FY 06/07 was \$370,290, which does not fully fund our street maintenance which is budgeted at \$892,155 this year. Considering the impact of 56,000 vehicles per day on PCH, it can e assumed that this street will require significantly higher maintenance costs as compared to other City streets. These costs would have to come from other funding sources.
- In addition to the above capital improvement and maintenance costs, it can be assumed that there will also be incurred significant liability costs related to accidents on PCH. Staff reviewed a three-year accident history (7/03 – 7/06) and determined that within that time period there were a total of 251 accidents on City-owned streets while during the same time period there were 210 accidents on PCH. Of these numbers, injury-related accidents totaled 54 on City streets as opposed to 184 on PCH. It is difficult to estimate the costs associated with this liability but within this same time period the City was named in three lawsuits related to accidents, all of which were on PCH. The City will be released from these cases due to Caltrans' ownership of the right-of-way.

Summary:

Staff recently attended a South Bay City Manager/Public Works Director meeting with Caltrans representatives who were strongly encouraging cities to consider relinquishment (see attached information sheets that were handed out at the meeting). They stated that a major reason this is a high priority for Caltrans the desire to reduce their liability exposure since they are always sued as the "deep pocket."

While our banner program is raising approximately 422,500 per year for our local non-profit organizations is a good thing, staff does not consider the overall benefits of controlling the right-of-way on PCH to be equal to the additional high costs of street maintenance, capital improvements, and very significant increases in liability. The commercial banner program can certainly continue at the Aviation Boulevard banner location as well as the 10th Street and PCH location which are within the City's jurisdiction. Both have exposure to thousands of vehicles per day. If Council wishes to pursue relinquishment, staff strongly recommends the hiring of an engineering consultant to increase our chances of receiving the highest amount of money from Caltrans. Considering the potential swing amount between \$3.2 million to hopefully as high as \$5 million, the \$30,000 expenditure is certainly prudent.

Option:

Pursue legislation that would allow us to enter into an Encroachment Agreement with Caltrans that would allow the City to maintain its commercial banner program only at the 1st Street location and accept all liability for that use.

Fiscal Impact:


Consideration of the significant fiscal impacts to the City is what this agenda item is about and described in detail above - the \$30,000 could be possibly be funded by the Prospective Expenditures account. If Council determines to go forward with relinquishment, staff will select the consultant and bring the award of contract back for approval, including approval of the appropriation of necessary funds.

Attachments:

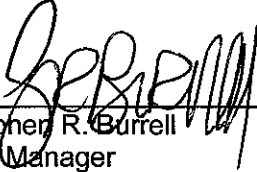
1. PCH Right-of-Way Map
2. Relinquishment information sheets

Respectfully submitted,

Concur:

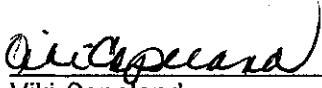


Richard D. Morgan, P.E.
Director of Public Works/City Engineer



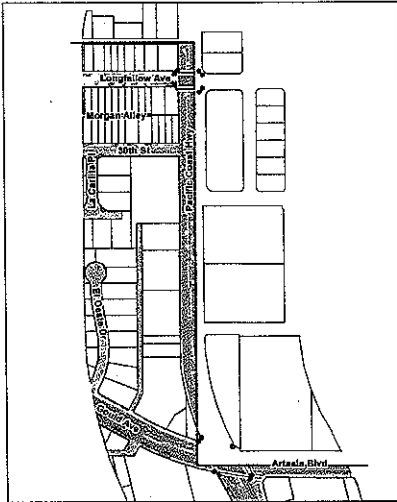
Stephen R. Burrell
City Manager

Noted for fiscal impact:

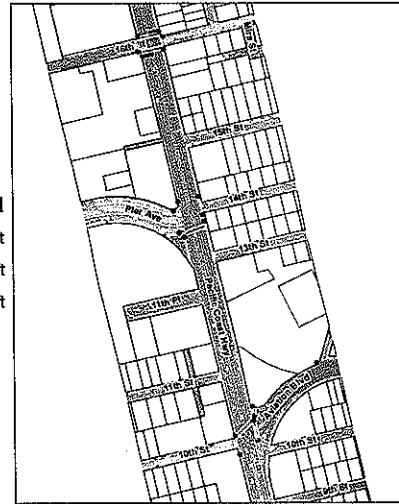


Viki Copeland
Finance Director

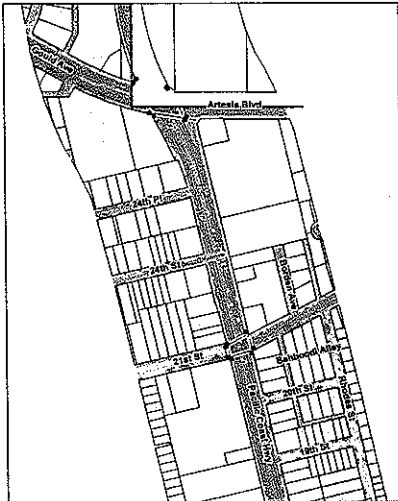
Pacific Coast Hwy in Hermosa Beach



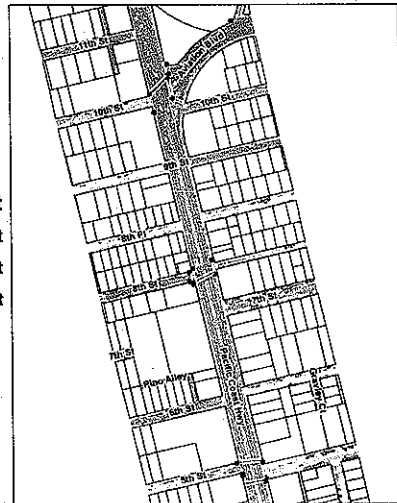
North City Limit to Gould/Artesia
 ROW = 90 ft
 Pavement area 58,415 sqft
 Sidewalk area 8,500 sqft



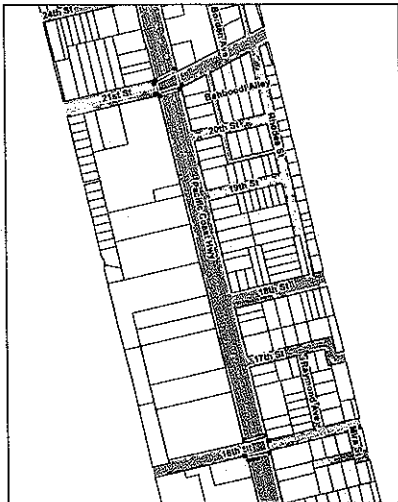
16th Street to Aviation Blvd
 ROW = 90 ft
 Pavement area 112,900 sqft
 Sidewalk area 18,000 sqft



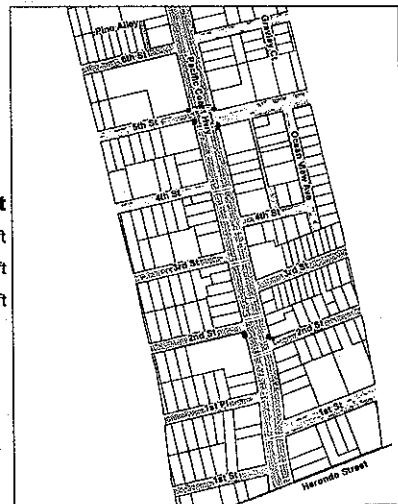
Gould/Artesia to 21st Street
 ROW = 90 ft
 Pavement area 72,120 sqft
 Sidewalk area 13,835 sqft



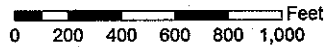
Aviation Blvd to 6th Street
 ROW = 90 ft
 Pavement area 85,530 sqft
 Sidewalk area 15,300 sqft



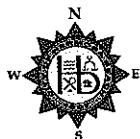
21st Street to 16th Street
 ROW = 90 ft
 Pavement area 103,500 sqft
 Sidewalk area 20,880 sqft



6th Street to Herondo Street
 ROW = 90 ft
 Pavement area 124,750 sqft
 Sidewalk area 19,280 sqft



Department of Public Works GIS
 Chris Hazenbrook
 November 2009



Legend

- Traffic Lights
- Parcels
- City Limit

Total Area of Pavement = 557,215 sqft
Total Area of Sidewalks = 95,795 sqft
Signaled Intersections = 9
Crosswalk Intersections = 13



State Highway Relinquishment

Type of Relinquishments

Legislative Relinquishment

State highways deleted by legislative act. Local agency do not have an obligation to accept relinquishment. If local agency is interested and willing to accept the relinquishment, the local agency would initiate legislative deletion of the state highway.

Superseded Highway Relinquishment

This would occur when a new State highway is constructed and supersedes an existing highway. The Statutes requires the local agency to accept the relinquishment.

Collateral Facility Relinquishment

Adjacent public roadways which have been constructed as part of a highway project but are not essential to the proper functioning of the State highway facility. Local agency are obligated to accept the relinquishment.

Legislative Deletion Relinquishments

Los Angeles County is comprised of numerous conventional State highways that traverse cities and lead to points of business and recreational centers. These highways were initially built prior to the freeway system. Most were adopted into the first mandated State Master Plan of State Highways in 1933 - now call the State Highway System. The State owns and is responsible for the maintenance of these highways.

The growth of population and cities generated the need for freeways and reduced the use of conventional State highways as regional routes. Several routes are now operating similar to other city streets and no longer serving their purposes as regional routes. Due to that, the State is now considering the relinquishment of these highways to allow the local agencies to better meet the needs of their communities. By having control, the local agencies would be in the position to realize the following benefits:

1. To regulate development adjacent to the highway.
2. To control the construction permit process.
3. To use their highway standards instead of requiring to conform to State standards.
4. To directly react to the needs of their communities in a timely manner.

In order to relinquish these highways, the local agencies should be willing to accept the highways and the Legislature needs to delete the highways from the State Highway System.

Other notes:

State law does not mandate the "state of good repair" requirement for legislative deletion relinquishments.

Averages 2 to 3 years to complete the relinquishment (legislature, negotiation on cost,...)

State will not pay for future maintenance costs.

\$12 M annual budget, statewide. First come first serve.

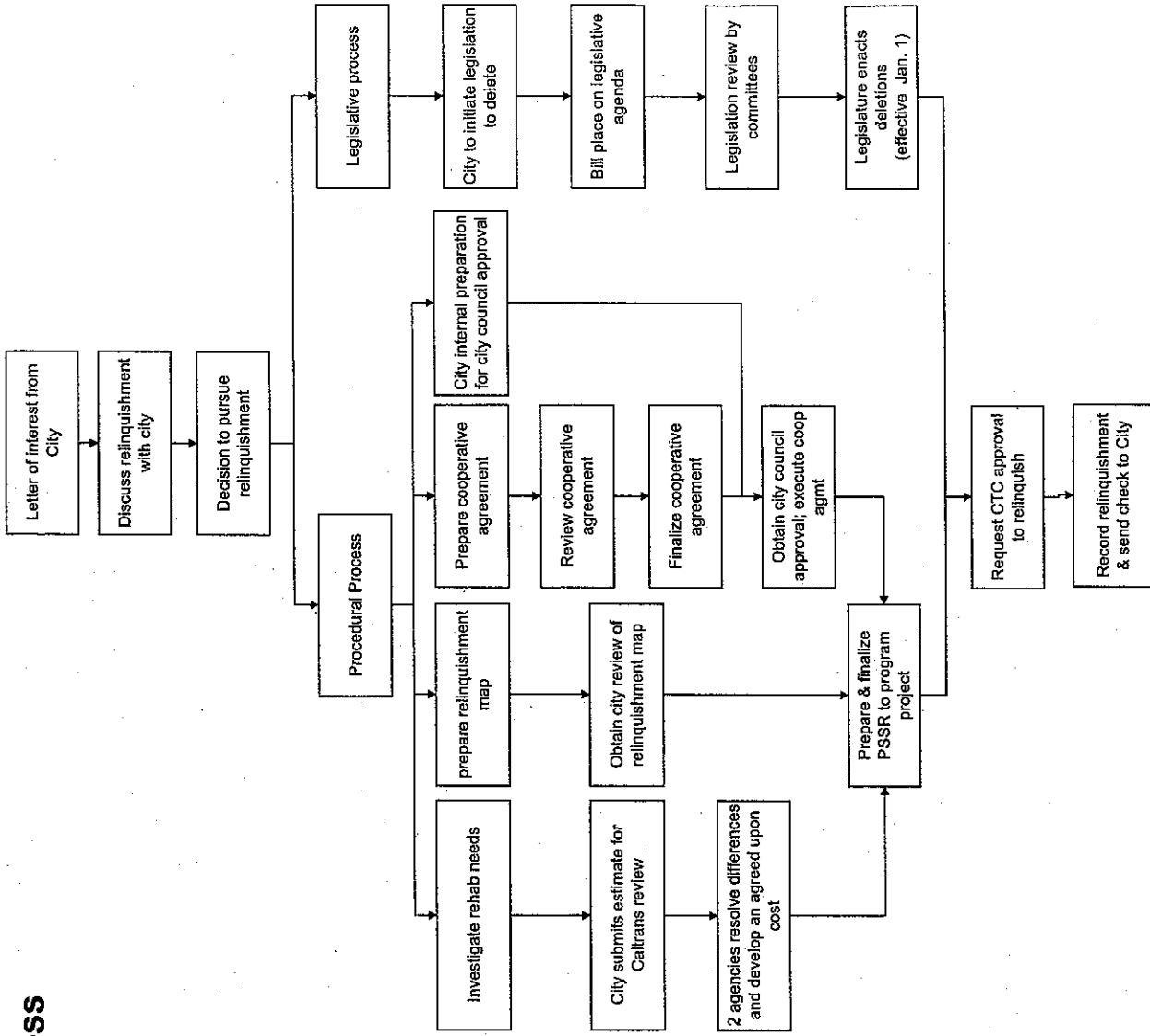
State Highway Legislative Deletion Relinquishment Process

(w/ funds involvement)

Caltrans policy in recent years has been to execute cooperative agreements with the local agencies and to pay the estimated dollar cost to do such work including the engineering, in lieu of Caltrans actually doing the work by state administered contract. Relinquishment and transfer of money normally occur simultaneously.

Process Steps:

- 1 City sends a letter to Caltrans expressing interest in taking over the highway.
- 2 Caltrans and city representatives meet to make a cursory evaluation of the facility and outline the process.
- 3 City performs an independent estimate of the cost to place the highway in a state of good repair (not required by law). Caltrans simultaneously orders deflection studies of the highway pavement.
- 4 City submits estimate to Caltrans for review.
- 5 After completion of Caltrans review, the two agencies meet to resolve differences and develop an agreed upon cost.
- 6 Caltrans prepares a Project Scope Summary Report (PSSR) based on the agreed upon cost & simultaneously submits a cooperative agreement to city for execution. Note: prior versions would already have been submitted to get concurrence from both parties on the language.
- 7 City works with either local assemblyman or senator to have deletion legislation enacted.
- 8 Once city has executed coop, it is return to Caltrans, who also execute it and returns an executed copy to city.
- 9 Once the PSSR is completed, the cooperative agreement executed, and deletion legislation passed, the combined documents will be used to amend the SHOPP to obtain the necessary funding.
- 10 Once SHOPP is amended, a Resolution of Relinquishment will be passed by California Transportation Commission (CTC).
- 11 Following CTC action, city sends Caltrans an invoice for the agreed upon amount. Once the invoice is paid, Caltrans records the Resolution of Relinquishment, at which point ownership passes to the city.



Legislative Deletion Relinquishments Statutory Authority

The statutory authority to initiate this type of deletion and relinquishment of a State highway is found in Section 73 and 256.1 of the Streets and Highways Code. It authorized discussions to delete any portion of a State highway from the State Highway System and to relinquish these portions to the respective local agency. The legislation for deletion requires an agreement between State and local agency prior to relinquishment.

Streets and Highways Code

73. The commission shall relinquish to any county or city any portion of any state highway within the county or city that has been deleted from the state highway system by legislative enactment, and the relinquishment shall become effective upon the first day of the next calendar or fiscal year, whichever first occurs after the effective date of the legislative enactment. It may likewise relinquish any portion of any state highway that has been superseded by relocation. Whenever the department and the county or city concerned have entered into an agreement providing therefor, or the legislative body of the county or city has adopted a resolution consenting thereto, the commission may relinquish, to that county or city, any frontage or service road or outer highway, within the territorial limits of the county or city, which has a right-of-way of at least 40 feet in width and which has been constructed as a part of a state highway project, but does not constitute a part of the main traveled roadway thereof. The commission may also relinquish, to a county or city within whose territorial limits it is located, any nonmotorized transportation facility, as defined in Section 887, constructed as part of a state highway project if the county or city, as the case may be, has entered into an agreement providing therefor or its legislative body has adopted a resolution consenting thereto.

Relinquishment shall be by resolution. A certified copy of the resolution shall be filed with the board of supervisors or the city clerk, as the case may be. A certified copy of the resolution shall also be recorded in the office of the recorder of the county where the land is located and, upon its recordation, all right, title, and interest of the state in and to that portion of any state highway shall vest in the county or city, as the case may be, and that highway or portion thereof shall thereupon constitute a county road or city street, as the case may be.

The vesting of all right, title, and interest of the state in and to portions of any state highways heretofore relinquished by the commission, in the county or city to which it was relinquished, is hereby confirmed.

Prior to relinquishing any portion of a state highway to a county or a city, except where required by legislative enactment, the department shall give 90 days' notice in writing of intention to relinquish to the board of supervisors, or the city council, as the case may be. Where the resolution of relinquishment contains a recital as to the giving of the notice, adoption of the resolution of relinquishment shall be conclusive evidence that the notice has been given.

The commission shall not relinquish to any county or city any portion of any state highway that has been superseded by relocation until the department has placed the highway, as defined in Section 23, in a state of good repair. This requirement shall not obligate the department for widening, new construction, or major reconstruction, except as the commission may direct. A state of good repair requires maintenance, as defined in Section 27, including litter removal, weed control, and tree and shrub trimming to the time of relinquishment.

Within the 90-day period, the board of supervisors or the city council may protest in writing to the commission stating the reasons therefor, including, but not limited to, objections that the highway is not in a state of good repair, or is not needed for public use and should be vacated by the commission. In the event that the commission does not comply with the requests of the protesting body, it may proceed with the relinquishment only after a public hearing given to the protesting body on 10 days' written notice.

256.1. Prior to recommending to the Legislature the deletion of a highway, or a portion thereof, from the state highway system, the commission or the department shall hold a public hearing on, and shall give written notices to the legislative bodies of the cities and counties located in the affected area of, the proposed recommendation, and shall publish notice of the public hearing in a newspaper of general circulation in the areas affected by the proposed deletion. The commission or the department may, at its own option, because of controversy or lack of local consensus, hold the hearing at a location which is reasonably convenient to the communities affected by the proposed deletion, to the general public, and to the commission or the department in the discharge of its regular business.

**District 7 Legislative Deletion Relinquishment Status
South Bay Cities, LA County**

As of January 2007

Route	Name	Begin	End	City	Status / Remark
LA-1	PCH	13.2 Western Ave	14.2 Pennsylvania Ave	Lomita	
	PCH	14.2 Pennsylvania Ave	18.1 Vista Del Mar	Torrance	City is considering (8/14/06 Daily Breeze)
	PCH	18.1 Vista Del Mar	20.6 Herondo St	Redondo Beach	
	PCH	20.6 Herondo St	21.9 Artesia Blvd	Hermosa Beach	City Expressed Interest (3/25/04 Letter) (12/6/06 e-mail).
LA-91	Sepulveda Blvd	21.9 Artesia Blvd	Rosecrans	Manhattan Beach	
	Sepulveda Blvd	23.9 Rosecrans	Imperial Hwy	El Segundo	
	Artesia Blvd	0.0 PCH	Harper Ave	Hermosa Beach	Relinq'd 12/5/01.
	Artesia Blvd	0.0 Sepulveda Blvd	Aviation Way	Manhattan Beach	Relinq'd 1/30/02.
	Artesia Blvd	0.2 Harper Ave	Hawthorne Blvd	Redondo Beach	Relinq'd 9/24/01.
	Artesia Blvd	2.0 Inglewood Ave	Redondo Beach Blvd	Lawndale	Relinq'd 3/20/02.
	Artesia Blvd	2.5 Hawthorne Blvd	Western Ave	Torrance	Relinq'd 8/28/98.
	Artesia Blvd	4.7 Western Ave	Vermont Ave.	Gardena	Relinq'd 1/2/98.
	Hawthorne Blvd	0.0 PCH	Redondo Beach Blvd	Torrance	City is considering (8/14/06 Daily Breeze)
	Hawthorne Blvd	4.2 182nd St.	Redondo Beach Blvd	Redondo Beach	
LA-107	Hawthorne Blvd	4.8 Redondo Beach Blvd	Route 405	Lawndale	Relinq'd 8/17/99.
	Western Ave	0.0 25th St.	Capitol Drive	Los Angeles	Some interest indicated per Cynthia Fowler (Office of Janice Hanh) 4/7/06 e-mail.
	Western Ave	2.0 Summerland Ave	Westmont Dr	Rancho Palos Verde	
LA-213	Western Ave	3.2 Westmont Dr	Peninsula Verde Dr	Los Angeles	Some interest indicated per Cynthia Fowler (Office of Janice Hanh) 4/7/06 e-mail.
	Western Ave	4.1 Peninsula Verde Dr	261st St	Lomita	
	Western Ave	4.8 261st St	195th St.	Los Angeles	Some interest indicated per Cynthia Fowler (Office of Janice Hanh) 4/7/06 e-mail.
	Western Ave	6.6 236th St	Route 405	Torrance	

* No relinquishable (Legislative Deletion) State Route traverses through the following cities:

- Carson
- Hawthorne
- Inglewood
- Palos Verdes Estates
- Rolling Hills
- Rolling Hills Estates

District 7 Legislative Deletion Relinquishment Status South Bay Cities, LA County

As of January 2007

Legend: Relinquished In Negotiation w/ Local Agency Local Agency Expressed Interest in Relinquishment

