

been able to move forward. Citing the many numerous factors working against this project's feasibility the Board recently took action to lower the prioritization of the Hobbs-Wall trail project in the Active Transportation Plan (April 14, 2015 Agenda Item #25).

The Code of Federal Regulations (23 CFR 630.112 (c)(2)) says essentially that any project with federal funds spent in Preliminary Engineering (PE) phase must either acquire right of way, or undertake actual construction, by the close of the 10th year following the obligation of PE funds. At this time three options exist and a decision is now required:

1. Allow the project to be closed out and repay the \$34,842.70 of expended Federal funds.
2. Complete the environmental work associated with the project and apply for forgiveness of the expended Federal funds based on the outcome of the environmental review resulting in the identification of a "no build option".
3. Decide to construct the project and seek funding assistance in order to construct the project. The most recent estimate to complete the project (prepared in 2012) indicated that the project would cost approximately \$2.1 million to complete.

Option 1 provides the most cost effective solution as it does not require any additional funds other than what has already been spent on this project (\$35,000) to be repaid. Option 2 could potentially double the amount of money the County has already spent on this project and there is no guarantee that the Federal funds would be allowed to be forgiven (if the County is unsuccessful in securing forgiveness the County could be up to \$75,000 "in the hole" under Option 2 based on additional costs to prepare new and supplemental information). Finally, the County could choose to continue to pursue funding in order to construct the trail. In 2012 the Engineering Division updated the cost estimate to construct the project resulting in an estimated cost of \$2,146,000 with the State providing 90% of the cost and the County being responsible for the remaining \$214,600 (it is worth noting that this most recent cost estimate is now four years old and the odds of the cost now being even greater is very likely).

The final factor to consider in the feasibility of the Hobbs-Wall trail is that it was originally viewed as, not only a recreational trail but a commuter trail. Recently, the "Sunset Circle" project, an alternative route parallel to US 101 that provides access to Elk Valley Road, has been awarded funding making the Hobbs-Wall trail even less cost effective option.

Staff recommends that the Board direct staff to work with Caltrans on closing this project out and identifying funding to repay the expended Federal funds. Staff has tentatively identified the use of a combination of old Title III funds and already budgeted professional services funds in the Planning Division budget. Once a final recommendation is available staff will return to the Board for approval.

ALTERNATIVE:

1. Direct staff to continue developing the NEPA document, including necessary technical studies, necessary to support a "no-build option" in order to request forgiveness of the funds; or
2. Direct staff to develop a plan to construct the project and request an extension of time for repayment.

FINANCING:

Combination of old Title III and General Fund.

CHILDREN'S IMPACT STATEMENT:

This section meets 0 of the following outcome measures for children in Del Norte County:

- Children ready for and succeeding in school.

- Children and youth are healthy and preparing for adulthood.
- Families are economically self-sufficient.
- Families are safe, stable and nurturing.
- Communities are safe and provide a high quality of life.
- No impact to Children as a result of this action.

OTHER AGENCY INVOLVEMENT:

Caltrans, Federal Highways Administration.

SIGNATURE REQUIRED:

Board chair on Board Order.

ADMINISTRATIVE SIGN-OFF:

- Auditor:
- County Administrative Officer:
- County Counsel:
- Human Resources:
- Other:

PRINTING ACCOUNT:

CDD 101-260-20221

DEPARTMENT SIGN-OFF:



Heidi Kunstal, Director

DEPARTMENT OF TRANSPORTATION

Division of Local Assistance
1120 N STREET
P.O. BOX 942874, MS# 1
Sacramento, CA 94274-0001
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November 7, 2013

File : 01-DN-0-CR

RPSTPLE-5901(020)

Elk Creek Access(2nd St) to the
intersection of Elk Valley Rd &
Howland Hill Rd

Mr. Kevin Hamblin
Director, Community Development Dept.
Del Norte County
981 H Street, Suite 110
Crescent City, CA 95531

Attn: Ms. Tina McClendon

Dear Mr. Hamblin:

Enclosed is the approved current Finance Letter for the subject project. This Finance Letter is based on the information submitted by you to the Department. Some changes may have been made to fit the current funding scenario. If you feel that this does not correctly represent the current funding scenario of this project, please contact your District Local Assistance Engineer as soon as possible and have it corrected.

In accordance to Government Code 16304, Federal and State funds appropriated by the State budget are available for disbursement for limited periods of time. The enclosed Finance Letter shows the deadlines for liquidation as "Reversion Dates". Please ensure that your invoices are submitted at least 60 days prior to the reversion date to avoid any lapse of funds. If your agency is unable to seek reimbursement by this date you may request an extension through a Cooperative Work Agreement (CWA). A CWA is subject to the final approval of the State Department of Finance. If approved, the CWA may extend the deadline for up to one year for federal funds and up to three years for State funds.

Please note that Government Code 16304 does not supersede any other more restrictive expenditure deadlines.

If you have any questions, please contact your District Local Assistance Engineer.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Hoole".

for JOHN HOOLE, Chief
Office of Project Implementation
Division of Local Assistance

Enclosure

c: OLP AE Project Files
(01) DLAE - Suzanne Theiss

DEPARTMENT OF TRANSPORTATION
 DIVISION OF ACCOUNTING
 LOCAL PROGRAM ACCOUNTING BRANCH

FINANCE LETTER

Date: 11/06/2013
 Agency: 01-DN-0-CR
 Project No: RPSTPLE-5901(020)
 EA No: 01-281284

Attention: Del Norte County

FINANCE ITEMS	PRO RATA OR LUMP SUM	TOTAL COST OF WORK	FEDERAL PART. COST	FED. REIMB %	FED STIP-TE FUNDS	STATE STIP-TE FUNDS	LOCAL
Environmental Studies & Permits		\$34,999.00	\$34,999.00	88.53%	\$30,984.00	\$4,015.00	\$0.00
Totals:		\$34,999.00	\$34,999.00	0.00%	\$30,984.00	\$4,015.00	\$0.00

This Finance Letter was created based on specific financial information provided by the responsible local agency. The following encumbrance history is prepared by Local Assistance Accounting Office and is provided here for local agency's information and action.

Signature: *Zakaria Hageer*

Title: HQ Sr Area Engineer

For questions regarding finance letter, contact:

Printed Name: Peter B Anderson

Telephone No: 916-653-8431

Remarks: Hobbs Wall, TE project; This request is to deobligate the remaining \$1 of unexpended H220 funds from E&P (PA&ED). This will prevent the project from being repeatedly listed on the FHWA Inactive Invoice list. (It's not cost effective for the agency to invoice for a single dollar.)

ACCOUNTING INFORMATION

- RPSTPLE-5901(020)

Adv. Proj. ID	Approp. Unit	State Prog.	Fed/State	Encumbrance Amount	Approp Year	Expenditure Amount	Encumbrance Balance	Reversion Date
0100000039	05101F	2030600731	F	\$30,984.00	0405	\$30,984.00	\$0.00	06/30/11
0100000039	05101	2030600731	S	\$3,858.70	0405	\$3,858.70	\$0.00	06/30/10