



AGENDA MEMO

TO: Mayor & City Commission **AGENDA DATE:** 11/2/2009
FROM: Faith G. Miller, City Manager **AGENDA ITEM:** 10 - D
SUBJECT: Discussion and direction pertaining to the proposed four (4) lane improvement of SR 415.

LOCATION:

SR 415 between Acorn Lake Road and Reed Ellis Road in the Osteen area.

BACKGROUND:

The four (4) lane improvement of SR 415 from Acorn Lake Road to Reed Ellis Road in the Osteen area has been ranked by the Metropolitan Planning Organization (MPO) as the number one priority for several years. In the past, notwithstanding the priority ranking, funding for SR 415 improvements have been deferred or allocated elsewhere. Currently, the majority of the funding for the proposed improvements, which is forecasted to be over \$80 million, and at one time was estimated to be as high as \$120 million, is approved through various funding sources including a County Incentive Grant Program (CIGP). However, the CIGP requires a local match which is \$5 million.

There have been discussions between County, MPO, FDOT and City staffs about the match being evenly split between the County and the City of Deltona. According to staff interactions, the County of Volusia appears to be amenable to paying 50% of the required grant match. The City of Deltona would then be responsible for funding the other 50% of the grant match - \$2.5 million. The match would be due in July of 2013 when SR 415 improvement activity is scheduled to commence. Therefore, the City would have several years to budget the money. Also, there is a possibility that the grant amount could be reduced by money from the State District Dedicated Revenue (DDR) program. According to MPO staff, the status of DDR funds is not known and there is a possibility that DDR funds may become available in future funding cycles before improvements to SR 415 are programmed to begin (July 2013).

The MPO needs a commitment from the local governments (Volusia County and Deltona) concerning the CIGP grant match by November 13, 2009. If there is not a commitment by the local governments by that date, the SR 415 funds will, in all likelihood, be reallocated to other projects in the FDOT District

5 region. Improvements to SR 415 would then be delayed and be contingent on funding being restored by the FDOT and/or other governmental entities with a similar matching grant arrangement being a possibility.

There is recognition that allocating money for the match may be a challenge. However, as stated previously the City has the ability to spread the burden over several fiscal years. Staff recommends two options for allocating the matching funds. Option one is to use General Fund reserves and Option two is to replace and/or delay one or more existing road projects as required.

Finally, the improvement of SR 415 has been a long-standing goal of the City. The SR 415 improvements would facilitate a greater level of mobility and safety for Deltona citizens that rely on SR 415 for access to the greater Orlando area. In addition, as part of the Osteen Joint Planning Agreement, the City and the County have recently adopted an extensive building program associated with the segment of SR 415 proposed for improvement. The realization of that building program, including commercial and employment oriented development formats, is predicated on the four (4) lane improvement of SR 415. If the SR 415 improvements are deferred then there is a reasonable expectation that the Osteen development program will also be delayed.

**ORIGINATING
DEPARTMENT:**

SOURCE OF FUNDS:

General Fund reserves or Transportation Fund

COST:

\$2.5 million

REVIEWED BY:

Chris Bowley, AICP, Director of Planning and Development Services

**STAFF
RECOMMENDATION
PRESENTED BY:**

Ron A. Paradise, Planning Manager - Staff recommends that the City Commission direct staff to draft a letter for the Mayor's signature making the \$2.5 million CIGP commitment with the understanding that the commitment may be reduced or eliminated by other funding sources (DDR funds, etc.) as they become available. Staff also recommends that the City Commission direct staff to incrementally budget the \$2.5 million in a fiscally acceptable manner to be available in July of 2013.

**POTENTIAL
MOTION:**

"I move to authorize the Mayor to send a letter stating the City's commitment of a maximum of \$2.5 million to act as 50% of the required CIGP match for the proposed SR 415 improvements to the Florida Department of Transportation by November 13, 2009. I also make a motion to direct staff to budget the \$2.5

**AGENDA ITEM
APPROVED BY:**

million incrementally, in a fiscally acceptable manner to be available by July of 2013."


Faith G. Miller, City Manager

Faith Miller

From: Karl Welzenbach [KWelzenbach@volusiacountympo.com]
Sent: Friday, October 23, 2009 11:57 AM
To: Dinneen, James; Faith Miller
Cc: Connors, Mary; Recktenwald, George; Cheney, Jon; Alexander, Joie; Michael Carmolingo; Michele McFall; Dennis Mulder; Deyette, Janet; Zenaida Denizac; aischkau@deltonafl.gov; Paul Treusch; Bruno, Frank; Northey, Patricia; Kelly, Andy; jwagner@co.volusia.fl.us; cpersis@co.volusia.fl.us; Hayman, Jack
Subject: State Road 415

Dear Jim and Faith:

This email is to clarify the issue regarding the programming of SR 415 from Reed Ellis Road north to Acorn Lake Rd.

FDOT is currently developing their 5-year Work Program (which will go into effect next July) and they are requesting guidance and clarification from the MPO regarding project priorities and the programming of state District Dedicated Revenue (DDR) funds. The MPO's number one project on the Project Priority List is SR 415 from Reed Ellis Road to Acorn Lake Road. This project is currently fully funded through construction in FY 2013/14 (which begins July 1, 2013). The funding for the construction phase of this project includes County Incentive Grant Program (CIGP) funds totaling \$5 million. CIGP funds require a 50% local match – in this case \$5 million. It has been understood by FDOT that the County and the City of Deltona intended to share the local match at \$2.5 million apiece. To date FDOT has yet to receive a letter of commitment for this local match from either jurisdiction. FDOT **cannot** program the CIGP grant in the upcoming work program **unless** they have a letter of commitment from both the City and the County. In an attempt to address these issues and in order to ensure the viability of this project the MPO's TCC made the following recommendation:

Providing that the City and County are willing to commit to the sum of \$2.5 million apiece as local match for the CIGP grant in FY 2013/14, any new DDR funds received would go towards reducing the amount of CIGP funds thereby reducing the required local match. (In other words, if \$2 million in DDR funds were placed on the project then the CIGP grant would be reduced by \$2 million thereby reducing the total local match by \$2 million).

While I recognize the current economic situation and the stress that it has placed on all of the local governments' budgets, please keep in mind that this commitment does not come due until July of 2013 (roughly four years from now) which will hopefully provide sufficient time for budgeting the \$2.5 million apiece. Also keep in mind that, should DDR funds become available – either this year or in the forth coming years – your local commitment will be reduced.

To summarize, we have an opportunity to move forward with a significant portion of SR 415. However, to do this both the City and the County must each submit a letter of commitment to FDOT for \$2.5 million by no later than Friday, November 13, 2009 (the lockdown date for the work program) recognizing the possibility that your individual commitments will quite possibly be reduced as the work program progresses.

Karl D. Welzenbach