

# MINUTES

## Joint Meeting of the Scotts Valley City Council and Redevelopment Agency Board of Directors

**Date: February 3, 2010**

**POSTING:**

The agenda was posted on 1-29-10 at City Hall and the SV Senior Center. and on 1-29-10 at the SV Library, by the City Clerk.

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**CALL TO ORDER**                      6:00 p.m.

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Reed  
Vice Mayor Bustichi  
Council Member Aguilar  
Council Member Johnson  
Council Member Lind

City Manager Ando  
City Attorney Powell  
Public Wks Director Anderson  
Police Chief Weiss  
City Clerk Ferrara

Absent:

Interim Community Dev Dir Westman

**COMMITTEE REPORTS** Mayor Reed reported that the Budget Subcommittee held a preliminary meeting to discuss the process and expectations for the upcoming budget.

Mayor Reed reported that the Library Subcommittee met last week and focused on some of the specific add alternates that they are looking at for the construction bid process.

Mayor Reed reported that the Library Joint Powers Board met regarding declining revenues and their potential impact on the library system.

**PUBLIC COMMENT**

Frank Kertai, SV resident and President of the Heritage Parks Homeowners Association, read the attached letter (Attachment A) regarding the purchase of property at 260 Mt. Hermon Road.

Caryn Machado, Board of Directors of Community Television of Santa Cruz County, spoke to re-introduce Community Television and generate some interest from the citizens of Scotts Valley to join Community Television. She introduced Mary Ann Thyken, Executive Director of Community Television of Santa Cruz County.

Mary Ann Thyken, new Executive Director of Community Television of Santa Cruz County, went over her plans for Community Television, and stated that they are now streaming on the web. She stated that they are interested in bringing back the game of the week for local sports events, adding more public meetings, adding more public service announcements, and covering more community events. She stated that they have a new \$15 viewer membership level to support Community Television.

VM Bustichi stated that the Scotts Valley Host Lions Club is holding its Annual Cioppino Feed/Dance/Raffle, on March 13 at the CPDES Hall at Harvey West Park. He stated that the ticket price is \$40 per person and additional information and tickets are available by calling 438-2356,

CM Lind stated that the Fallen Officer Foundation Ball is being held this Saturday, February 6 at the Cocoanut Grove. She stated that additional information regarding the Ball, contributions, and the Foundation is available online at [www.fallenofficerfoundation.com](http://www.fallenofficerfoundation.com).

Mayor Reed responded to comments from Frank Kertai regarding the appraisal and price paid for the property at 260 Mt. Hermon Road. Agreed with remarks from CM Aguilar re this being a fair price for the property. Feels the price was fair and reasonable.

**ALTERATIONS TO  
CONSENT AGENDA**

***M/S: Aguilar/Lind***

***To approve the Consent Agenda as amended moving Item B to the regular agenda for a separate vote.***

***Carried 5/0***

**Consent Agenda:**

- A. Approve Resolution No. 1837.1 authorizing Sacramento County to serve as the lead collaborative entity to apply for California Energy Commission SEP grant funds

**ALTERATIONS TO  
REGULAR AGENDA**

***M/S: Aguilar/Lind***

***To approve the Regular Agenda as amended adding Item B to the regular agenda for a separate vote .***

***Carried 5/0***

**REGULAR AGENDA**

- B. Approve second reading and adoption of Ordinance No. 16-ZC-218 approving Pre-Zone No. PRE-Z09-002 to pre-zone 190 Old Coach Road (APN 056-102-01) Residential Estate (R-1-40)

VM Bustichi recused himself as he lives within 500 feet of this property.

CM Ando introduced the item.

***M/S: Aguilar/Bustichi***

***To approve second reading and adoption Ordinance No. 16-ZC-218 approving Pre-Zone No. Pre-ZC09-002 to pre-zone 190 Old Coach Road (APN 056-102-01) Residential Estate (R-1-40), and waive the reading thereof.***

***Carried 3/1/1 (ABSTAIN: Johnson / ABSENT: Bustichi)***

**1. Presentation on 2-1-1 Santa Cruz County**

CM Ando presented the written staff report and responded to questions from Council.

Mary Lou Goeke, Executive Director of the United Way of Santa Cruz County, gave a PowerPoint presentation on 2-1-1 Santa Cruz County and responded to questions from Council. She stated that they are looking at requesting \$5,000 from Scotts Valley toward the \$142,000 budget.

Tom Houso spoke in favor of the 2-1-1 system.

Mayor Reed questioned when the financial commitment would be needed. He spoke in favor of providing a letter of commitment with monies possibly coming from our Human Care Alliance funding.

Mary Lou Goeke, United Way, stated that she is not looking to take away from current Human Care Alliance funding.

CM Aguilar spoke in favor of the 2-1-1 system and providing a letter of commitment.

VM Bustichi stated that he cannot commit to extra spending until the budget is approved.

Bill McCabe, Human Care Alliance representative, stated that he supports the 2-1-1 expansion of services, however, they would not like to see a reduction in funding to existing programs.

***M/S: Aguilar***

***To provide United Way with a letter of commitment for the 2-1-1 system in the amount of \$5,000 if funds are available.***

***Motion withdrawn***

The City Council unanimously agreed to bring back sample letters of commitment/intention to the next regular Council meeting on 2/17/10 for consideration of approval.

**2. Discussion: Mt. Hermon Road traffic mitigations and fair share contribution**

PWD Anderson presented the written staff report and responded to questions from Council.

CM Aguilar expressed concerns about how the cost estimates were calculated and questioned how priorities will be made for projects. She questioned if other funds are available and if inflation costs are integrated. She stated that she is also concerned about the ability of Council to change the Level of Service (LOS) for intersections.

PWD Anderson responded that annual inflation costs are not built into the policy at this time, however, they could be included.

CA Powell stated that the item tonight is to deal with cumulative impacts of projects that have come before the Council already and will be coming to the Council in the future. She stated that staff is trying to establish a formula so that those projects that have already come in, or will be coming in the future, have to mitigate the impacts by paying a fee. She stated that this policy does not deal with the eventuality that perhaps the General Plan will change, and if it does change, some of these improvements may or may not be required. She stated that if this formula is not adopted tonight by the Council, projects that have already been approved will still have to pay a fair share of improvements, and that one project (whomever that happens to be) will be required to install these improvements. What this formula will do is allow the one person that triggers the change in the Level of Service to collect monies from projects before and after them.

Frank Kertai, SV resident and President of the Heritage Parks Homeowners Association, read the attached letter (Attachment B) regarding concerns he has about the staff report, and the estimates prepared by the contractor for the City, regarding the fair share contribution calculations.

Paul Bach, Scotts Valley Responsible Local Development Political Action Committee (SVRLDPAC), expressed concerns regarding current and future construction costs, the validity of numbers used for intersections, and fairness in the calculations.

Jim Sullivan, Sullivan Land Development, spoke in favor of the concept of this policy so that a fair share amount is applied to developments.

Les Dittert, SV resident, expressed concerns about the recommended policy and the formula used to calculate these fees.

CM Aguilar stated that she feels the improvements should be made so that there is consistency and so that everyone participates equitably. She recommended removing the last paragraph of the staff recommendation regarding the LOS. She stated that she would also like to see inflation costs included.

CM Johnson stated that he likes the concept, however, he feels more consideration should be taken regarding this policy and he would like to see more fine tuning regarding the numbers. He stated that he would also like to see inflation costs included.

***M/S: Bustichi/Lind***

***To approve the policy, removing the last paragraph, and including an inflation increase annually based on the construction building index.  
Motion withdrawn***

Council directed staff to return at a future Council meeting with a revised policy based on Council comments.

**3. Future Council/RDA agenda items**

2/17/10 Council meeting: Sample letters of commitment/intention for 2-1-1 system.

Paul Bach, SVLRDPAC, spoke regarding the budget and requested that the City Council direct staff to put together a plan to stop deficit spending.

Mayor Reed responded to Mr. Bach's comments regarding the budget and the City's budget planning process that it has gone through in the past, and will be going through during the budget process this year.

**ADJOURNMENT**

The meeting adjourned at 8:00 p.m.

Approved:

\_\_\_\_\_  
Jim Reed, Mayor / Chair

Attest:

\_\_\_\_\_  
Tracy A. Ferrara, City Clerk / Secretary

## 20100120 City Council Meeting Kertai Comments

Good Evening. My name is Frank Kertai. I am a resident of Scotts Valley and President of the Heritage Parks Association, here tonight representing both myself and my community.

Given the current state of the commercial real estate market, the Suburban Propane property purchase raises red flags. What was the city council's justification for the \$1,900,000 price for this parcel?

Vice-Mayor Bustichi commented that real estate values have not changed much in value since the March 2008 appraisal. Mr. Busitichis's statement was either specious or he is out of touch with current economic realities.

The Federal Reserve puts out a monthly summary of commentary on Current Economic Conditions by Federal Reserve District, commonly referred to as the **Beige Book**. According to the January 13, 2010 report for the Twelfth District encompassing California, "...demand for commercial real estate continued to deteriorate."

At \$1,900,000, the purchase price of this 25,000 sq. ft. parcel was \$76 per sq. foot. The documents provided by the city indicate that this was \$7 per sq. ft. less than the appraised value provided on May 6, 2008. This two year old appraisal is representative of values near the peak of the commercial real estate market as calculated by the MIT Center for Real Estate (**see attached graph:** <http://mit.edu/cre/research/credl/rca.html>). What is the city's justification for not obtaining a more recent appraisal for this property?

We are in the midst of the most severe Real Estate depression in decades. *Conservative* estimates show real estate values are off by more than 30% to 40% - commercial real estate is off by even more. The appraisal provided valued this property at \$2,075,000 in early 2008. A thirty percent discount from this appraisal would have reduced the price by over \$600,000. What this means is that the agreed to purchase price of \$1,900,000 represents an over-payment in excess of a \$600,000 dollars.

Additionally, Suburban asked for and received **\$600,000** in relocation assistance. This was nearly two-thirds of the relocation cost estimate provided by Suburban. Was it appropriate for the city to pay two thirds of the relocation costs? By agreeing to subsidize **\$600,000** of this move and paying **\$1,900,000** for this property, the city effectively paid for this move twice – *once* with the subsidy of the move and *twice* with the overpayment for this property. **In essence, this city council paid 20% more than the appraised value of this property at the peak of the commercial real estate market! A good deal is one that is good for both parties.**

The argument that this property had more value because it has a 1,960 square foot retail building is also specious. Given that this property would serve as the entrance to the planned Town Center project, it is likely that this building will be simply torn down to make way for a more modern development.

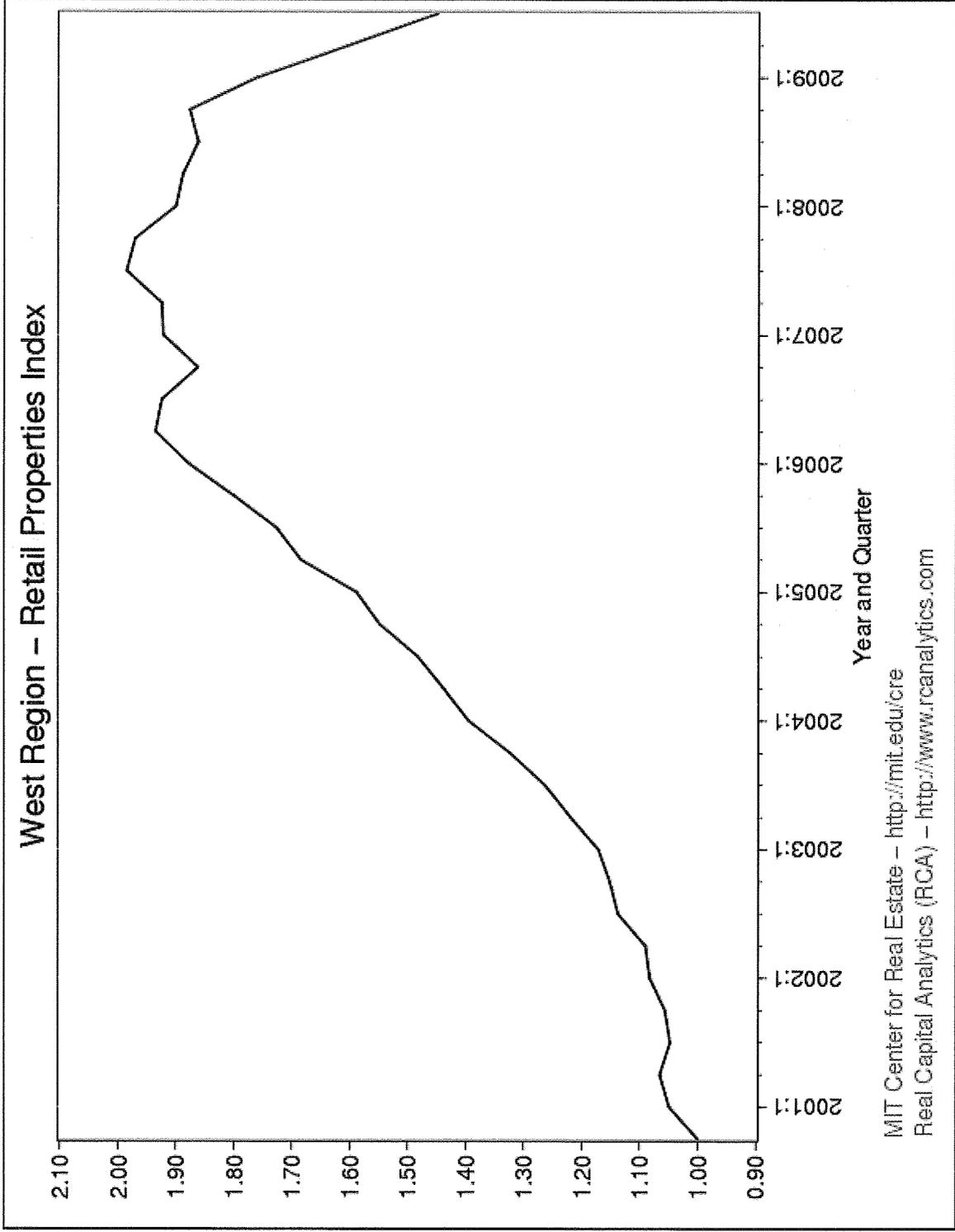
Again we ask some simple, basic questions. How appropriate was the structure of this transaction? Was this effective use of redevelopment money? How will this transaction affect the city's future ability to raise money? What about the on-going loss of property tax base to the city? When will the city see a return on this investment? One can't help but wonder why city council members could not have negotiated a better deal given current economic realities. The city had already approved relocation to an alternate facility inside city limits – something no one else in this county appears to have been willing to provide. Surely the approved Janis way relocation site has significant economic value to Suburban Propane.

This transaction also sets bad precedent. The Amerigas property purchase and facility move has yet to be negotiated. Recent real estate transactions negotiated by this city council have set arbitrarily high prices far in excess of currently appraised values for commercial property. Additionally, the city council also has yet to negotiate the purchase of property owned by the City of Santa Cruz. How will the city fund this purchase? Where is the frugality Mayor Jim Reed repeatedly touts?

The city council is spending taxpayer money recklessly and needlessly. The same objectives could and should be accomplished with fair and reasonable purchase prices. Lessons should be learned from city history of two decades ago with the Borland site. We had hoped for more transparency by this city council in 2010, not backdated real estate transactions. We continue to hope.

Respectfully,

Frank Z. Kertai



20100120 City Council Meeting Kertai Comments Item 2

Good Evening. My name is Frank Kertai. I am a resident of Scotts Valley, President of the Heritage Parks Association, here tonight representing both myself and my community.

**I would like to commend the city for being proactive about this issue.** Both the intersections of Scotts Valley Drive/Mt. Herman Road as well as the Mt. Herman Road/La Madrona Drive/State Route 17 south-bound off-ramp are close to the being degraded below the city's General Plan Level of Service as some of these projects are developed.

**I do have concerns about this staff report and the estimates prepared by the contractor for the city** with regards to the "Fair Share Contribution" calculations.

As I understand this project, the consultant's primary objective was to assist the city in determining the estimated costs, with contingencies, of improvements to the two intersections noted for the purposes of fair share allocation of these costs. What the city failed to do with the contractor's agreement is to adequately define the deliverables to the city. The contractor's assignment description should have identified the methodology to be following in developing the estimates delivered. Failing that, the city should have required the contractor to deliver a self-contained written report that describes the methodology used, with supportable calculations and references. None of this appears to have occurred. The final deliverable to the city should be a self-contained, reproducible report that anyone can follow. It should contain specific references as to sources of data. Additionally, the drawings delivered to the city should provide engineering information such as scale, distances and other geometric data sufficient enough to aid the city with an adequate cost estimating. CALTRANS should also have input to these costs.

I have reviewed the contract between the city and the engineering consultant who prepared the plans and estimates. The "schematic engineering and cost estimating" referred to in the contractor agreement appears to be the equivalent of the "conceptual design" step of a project. Because this step has the least specificity, it also has the highest contingency. Because no methodology was specified by the city, nor described by the contractor, it is difficult to determine how the quantities provided by the consultant were calculated. Even if we are to assume the quantities are accurate, the unit costs used by the consultant appear to be off and low by a factor of 2. **I am sure Vice-Mayor Bustichi will agree that CALTRANS is an appropriate standard to use for pricing Highway Construction items.** Using the December 2009 Price Index for Selected Highway Construction Items and referencing specific line items from the Engineer's Preliminary Opinion of Cost, a spot check of a half dozen line items reveals that CALTRANS unit costs exceed the costs in the report by over 100%. **An extrapolation of these underestimates would result in a total underestimate of nearly \$700,000 for these proposed mitigations.** And this is before we even discuss inflation. We are at a trough in the construction cycle. Prices will likely be higher by the time these projects move forward. This also does not appear to have been factored into the pricing used.

Finally, I would like to point out that the contractor Exhibit "A" Task 2 defines as a deliverable "**25-percent engineering plans**". The final report provided to the city (see pages 8 and 10) describes a "**10-Percent Preliminary Design**". Do the drawings presented by the consultant represent a 10 percent engineering plan completion or a 25 percent completion? Based on this discrepancy, it would appear that the city did not receive the services it contracted for with this agreement.

Note that the city has in the past underestimated the fees to be collected from projects for the purposes of mitigation. An extreme example of this would be the fees collected for the Mid Town Interchange. The amount collected was less than \$1 million dollars while any reasonable estimates for the construction of the interchange were orders of magnitude higher. The Granite Creek Interchange paid for by Borland is another example of this. **The city should not put itself in a position where it may owe money back to project applicants because it underestimated the costs of these mitigations.**

My recommendation is that a more accurate estimate of the proposed mitigations for these "fair share" calculations be produced. **The revised estimate should be in writing, provide a description of the methodology used, provide copies of the calculations used and provide citations to references for sources of estimates.**

Respectfully,

Frank Z. Kertai

**California  
Department of Transportation**

**Price Index for Selected Highway Construction Items**

**SUMMARY**

**Fourth Quarter Ending December 31, 2009**

<b>Index this quarter</b>	<b>204.6</b>
Point change from last quarter	<b>- 96.8</b>
Percentage change from last quarter	<b>- 32.1%</b>
<b>Index last 12 months</b>	
Point change from previous report	<b>- 29.7</b>
Percentage change from previous report	<b>- 11.9%</b>

<b>Average number of bidders this quarter</b>	
	<b>9.3</b>
<b>Change in number of bidders from last quarter</b>	
	<b>+ 1.1</b>

NOTE: All information shown in this publication was assembled using the 1987 base year.

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Date: 1/20/10

**Office  
Engineer**

California Department of Transportation

**Highway Construction Cost Index**  
4th Quarter Ending December 31, 2009

Prepared by Division of Engineering Services - Office Engineer

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**NOTE:** All information shown in the publication was assembled using the 1987 base year.

The California Highway Construction Cost Index for the fourth quarter of 2009 stands at 204.6, down 96.8 points (32.1 percent) from the third quarter of 2009 index of 301.4. The Index for the year-to-date (January 1, 2009 through December 31, 2009) is 220.5, down 29.7 points (11.9 percent) from the third quarter of 2009 year-to-date index of 250.2.

Cost increases were recorded in Portland Cement Concrete (Pavement), Bar Reinforcing Steel, and Structural Steel, while cost decreases were recorded in Roadway Excavation, Aggregate Base, Asphalt Concrete Pavement, and Portland Cement Concrete (Structure) in the fourth quarter.

The average number of bidders per project in the fourth quarter of 2009 is 9.3, up 1.1 bidders per project as compared to 8.2 in the third quarter of 2009 and up 1.0 as compared to 8.3 for the corresponding quarter of 2008.

The Engineering News-Record's Construction Cost Index average for the fourth quarter of 2009 is 8609.9, up 38.0 points or 0.44 % from 8571.9 of the last quarter. The price index uses a 1913 = 100 base.

The U. S. Bureau of Labor Statistics' Consumer Price Index average for the fourth quarter 2009 is 216.2, for U. S. City average of All Urban Consumers, up 0.5 points or 0.2 % from 215.7 of the last quarter. The price index uses a 1982-84 =100 base.

**Projects Bid Opened**  
(July 1, 2009 through September 30, 2009)

Range (\$)			Number of Projects	%	Amounts of Projects (\$)	%
Up to 50,000			0	0.00	0	0.00
50,000	to	100,000	2	2.15	197,942	0.04
100,000	to	250,000	16	17.20	2,865,841	0.53
250,000	to	500,000	17	18.28	6,482,003	1.21
500,000	to	1,000,000	23	24.74	15,800,713	2.95
1,000,000	to	2,500,000	19	20.43	28,268,814	5.28
2,500,000	to	5,000,000	2	2.15	7,706,129	1.44
5,000,000 and above			14	15.05	474,150,003	88.55
<b>Total</b>			<b>93</b>	<b>100.00</b>	<b>535,471,445</b>	<b>100.00</b>

## **Construction Item Costs Based on English Units**

### Roadway Excavation: \$6.84 per cubic yard

The price decreased \$6.77 from the average unit price of \$13.61 per cubic yard last quarter. Unit bid prices ranged from \$0.10 to \$303.00 per cubic yard.

### Aggregate Base: \$13.36 per ton

The price decreased \$1.54 from the average unit price of \$14.90 per ton last quarter. Unit bid prices ranged from \$10.06 to \$97.37 per ton.

### Asphalt Concrete Pavement: \$84.87 per ton

The unit price decreased \$60.13 from the average unit price of \$145.00 per ton last quarter. Unit prices ranged from \$65.00 to \$330.00 per ton.

### Portland Cement Concrete (Pavement): \$140.65 per cubic yard

The unit price increased \$26.28 from the average unit price of \$114.37 per cubic yard last quarter. Unit prices ranged from \$115.45 to \$290.53 per cubic yard.

### Portland Cement Concrete (Structure): \$426.80 per cubic yard

The unit price decreased \$33.89 from the average unit price of \$460.69 per cubic yard last quarter. Unit prices ranged \$183.49 to \$2,500.00 per cubic yard.

### Bar Reinforcing Steel: \$0.620 per pound

The unit price increased \$0.048 from the average unit price of \$0.572 per pound last quarter. Unit prices ranged from \$0.48 to \$10.00 per pound.

### Structural Steel: \$5.448 per pound

The unit price increased \$2.679 from the average unit price of \$2.769 per pound last quarter. Unit prices ranged from \$2.27 to \$21.77 per pound.

## **Construction Item Costs Based on Metric Units**

### Roadway Excavation: \$8.95 per cubic meter

The price decreased \$8.85 from the average unit price of \$17.80 per cubic meter last quarter. Unit bid prices ranged from \$0.13 to \$396.31 per cubic meter.

### Aggregate Base: \$14.73 per tonn

The price decreased \$1.69 from the average unit price of \$16.42 per tonn last quarter. Unit bid prices ranged from \$11.09 to \$107.33 per tonn.

### Asphalt Concrete Pavement: \$93.56 per tonn

The unit price decreased \$66.28 from the average unit price of \$159.84 per tonn last quarter. Unit prices ranged from \$71.65 to \$363.76 per tonn.

### Portland Cement Concrete (Pavement): \$183.96 per cubic meter

The unit price increased \$34.37 from the average unit price of \$149.59 per cubic meter last quarter. Unit prices ranged from \$151.00 to \$380.00 per cubic meter.

### Portland Cement Concrete (Structure): \$558.23 per cubic meter

The unit price decreased \$44.33 from the average unit price of \$602.56 per cubic meter last quarter. Unit prices ranged \$240.00 to \$3,269.88 per cubic meter.

### Bar Reinforcing Steel: \$1.366 per kilogram

The unit price increased \$0.105 from the average unit price of \$1.261 per kilogram last quarter. Unit prices ranged from \$1.05 to \$22.05 per kilogram.

### Structural Steel: \$12.012 per kilogram

The unit price increased \$5.908 from the average unit price of \$6.104 per kilogram last quarter. Unit prices ranged from \$5.00 to \$48.00 per kilogram.

EXHIBIT A

**Price Index for Selected  
California Construction Items  
1987 = 100**

<u>YEAR</u>	<u>QTRLY</u>	<u>LAST 12 Months</u>	<u>Annual</u>
1972			30.0
1973			31.2
1974			45.6
1975			46.7
1976			47.7
1977			53.7
1978			62.1
1979			80.1
1980			82.1
1981			90.6
1982			81.3
1983			81.9
1984			93.3
1985			92.7
1986			95.0
1987			100.0
1988			104.4
1989			111.3
1990			113.5
1991			108.2
1992			106.8
1993			113.1
1994			119.0
1995			115.0
1996			119.2
1997			124.8
1998			128.6
1999			139.2
2000			146.2
2001			154.1
2002			142.2
2003			148.6
2004			216.2
2005			268.3
2006	(1st Quarter)	252.8	243.0
2006	(2nd Quarter)	386.6	265.4
2006	(3rd Quarter)	380.3	276.1
2006	(4th Quarter)	300.1	
	(Year)		280.6
2007	(1st Quarter)	363.9	335.3
2007	(2nd Quarter)	401.4	341.2
2007	(3rd Quarter)	262.2	309.9
2007	(4th Quarter)	208.5	
	(Year)		261.1
2008	(1st Quarter)	243.6	249.3
2008	(2nd Quarter)	250.8	235.7
2008	(3rd Quarter)	318.4	241.1
2008	(4th Quarter)	226.9	
	(Year)		252.7
2009	(1st Quarter)	276.5	258.2
2009	(2nd Quarter)	195.3	253.3
2009	(3rd Quarter)	301.4	250.2
2009	(4th Quarter)	204.57	
	(Year)		220.5

EXHIBIT B

California Department Of Transportation  
Average Highway Contract Prices  
(English Units)

	Roadway Excavation "1" <u>Per Cu Yd</u>	Aggregate Base <u>Per Ton</u>	Asphalt Concrete Pavement <u>Per Ton</u>	PCC Pavement <u>Per Cu Yd</u>	Class "A" PCC Structure <u>Per Cu Yd</u>	Bar Reinforcing Steel <u>Per Lb</u>	Structural Steel "2" <u>Per Lb</u>
1972	0.95	3.21	8.22	19.23	82.08	0.159	0.446
1973	0.75	3.14	9.02	19.24	93.60	0.169	0.635
1974	1.26	4.23	13.01	28.59	115.19	0.329	0.987
1975	1.19	4.70	14.24	30.63	132.10	0.239	0.838
1976	1.32	4.70	13.67	29.64	143.05	0.223	0.504
1977	1.76	5.44	15.15	35.17	150.03	0.239	1.228
1978	1.85	6.18	17.70	41.77	180.77	0.276	0.814
1979	2.36	7.49	22.40	52.39	234.24	0.383	1.960
1980	2.10	8.38	25.51	55.18	235.45	0.378	1.942
1981	3.14	8.63	28.53	59.45	226.84	0.386	2.091
1982	2.58	7.56	24.69	57.10	224.72	0.320	2.155
1983	2.10	9.20	27.57	52.04	225.84	0.335	2.155
1984	3.19	13.67	28.38	55.79	238.48	0.375	2.155
1985	2.77	11.55	30.15	64.13	232.39	0.413	2.288
1986	3.01	12.76	28.82	60.49	249.74	0.412	2.388
1987	2.97	17.57	27.54	70.62	280.40	0.418	2.546
1988	4.16	10.13	27.46	58.66	284.55	0.440	3.956
1989	4.19	10.62	29.43	73.78	303.49	0.483	3.103
1990	4.73	12.05	30.77	68.93	295.24	0.469	2.209
1991	3.08	10.07	33.43	62.64	295.21	0.431	2.284
1992	3.62	9.76	32.46	66.78	265.31	0.419	3.073
1993	4.53	9.89	35.41	66.76	243.79	0.464	2.706
1994	4.68	10.39	37.15	66.45	277.92	0.547	2.334
1995	4.10	10.18	35.29	63.85	298.80	0.499	2.266
1996	3.80	9.74	37.66	65.93	321.88	0.512	2.172
1997	5.25	10.29	36.07	78.48	308.54	0.496	2.337
1998	4.95	11.55	38.78	75.91	319.95	0.553	2.595
1999	6.55	12.86	40.14	77.95	321.22	0.521	3.215
2000	6.21	11.14	45.12	78.14	363.59	0.507	2.754
2001	5.83	14.58	43.89	75.74	425.17	0.612	3.906
2002	4.84	12.42	49.00	74.15	363.50	0.508	3.248
2003	5.05	15.05	48.35	109.96	362.75	0.600	1.710
2004	13.11	16.97	53.55	135.94	399.64	0.947	5.390
2005	14.13	20.61	75.72	171.22	567.31	0.968	2.666
1st Quarter 2006	9.69	17.45	89.38	163.29	537.89	1.067	4.035
2nd Quarter 2006	26.07	23.21	88.78	324.86	751.93	0.962	3.031
3rd Quarter 2006	23.14	25.80	86.46	290.67	801.89	1.302	9.670
4th Quarter 2006	14.08	23.55	82.36	191.46	751.02	0.968	5.883
<b>Year 2006</b>	<b>12.80</b>	<b>20.26</b>	<b>86.04</b>	<b>179.67</b>	<b>630.16</b>	<b>1.039</b>	<b>3.734</b>
1st Quarter 2007	27.68	25.60	86.94	215.12	542.12	1.145	5.370
2nd Quarter 2007	29.61	27.30	91.46	223.54	742.32	0.974	7.696
3rd Quarter 2007	10.75	21.66	86.91	214.86	523.68	0.892	52.005
4th Quarter 2007	5.86	16.95	74.41	184.66	507.47	0.814	4.552
<b>Year 2007</b>	<b>10.84</b>	<b>20.54</b>	<b>85.48</b>	<b>204.69</b>	<b>566.25</b>	<b>0.935</b>	<b>6.966</b>
1st Quarter 2008	9.45	18.39	78.56	186.38	582.71	0.834	5.300
2nd Quarter 2008	8.10	18.29	85.02	200.07	597.84	1.076	4.923
3rd Quarter 2008	22.46	18.68	80.17	172.03	515.53	1.164	4.001
4th Quarter 2008	11.52	15.27	66.21	164.44	456.43	0.894	6.958
<b>Year 2008</b>	<b>11.39</b>	<b>17.90</b>	<b>78.50</b>	<b>177.91</b>	<b>553.62</b>	<b>0.938</b>	<b>5.183</b>
1st Quarter 2009	15.64	23.16	74.48	142.97	664.17	0.552	5.584
2nd Quarter 2009	7.59	14.55	61.38	145.41	479.45	0.664	8.532
3rd Quarter 2009	13.61	14.90	145.00	114.37	460.69	0.572	2.769
4th Quarter 2009	6.84	13.36	84.87	140.65	426.80	0.620	5.448
<b>Year 2009</b>	<b>9.37</b>	<b>14.91</b>	<b>80.38</b>	<b>125.41</b>	<b>484.78</b>	<b>0.593</b>	<b>4.492</b>

1. Unclassified.
2. Beginning 1st quarter 2003, structural steel includes the furnish and the erect structural steel (bridge).

EXHIBIT B

California Department Of Transportation  
Average Highway Contract Prices  
(Metric Units)

	Roadway Excavation "1" <u>Per M3</u>	Aggregate Base <u>Per Tonn</u>	Asphalt Concrete Pavement <u>Per Tonn</u>	PCC Pavement <u>Per M3</u>	Class "A" PCC Structure <u>Per M3</u>	Bar Reinforcing Steel <u>Per Kg</u>	Structural Steel "2" <u>Per Kg</u>
1972	1.24	3.54	9.06	25.15	107.36	0.351	0.983
1973	0.98	3.46	9.94	25.16	122.42	0.373	1.400
1974	1.65	4.66	14.34	37.39	150.66	0.725	2.176
1975	1.56	5.18	15.70	40.06	172.78	0.527	1.847
1976	1.73	5.18	15.07	38.77	187.10	0.492	1.111
1977	2.30	6.00	16.70	46.00	196.23	0.527	2.707
1978	2.42	6.81	19.51	54.63	236.44	0.608	1.795
1979	3.09	8.26	24.69	68.52	306.37	0.844	4.321
1980	2.75	9.24	28.12	72.17	307.96	0.833	4.281
1981	4.11	9.51	31.45	77.76	296.70	0.851	4.610
1982	3.37	8.33	27.22	74.68	293.92	0.705	4.751
1983	2.75	10.14	30.39	68.07	295.39	0.739	4.751
1984	4.17	15.07	31.28	72.97	311.92	0.827	4.751
1985	3.62	12.73	33.23	83.88	303.95	0.911	5.044
1986	3.94	14.07	31.77	79.12	326.65	0.908	5.265
1987	3.88	19.37	30.36	92.37	366.75	0.922	5.613
1988	5.44	11.17	30.27	76.72	372.18	0.970	8.721
1989	5.48	11.71	32.44	96.50	396.95	1.065	6.841
1990	6.19	13.28	33.92	90.16	386.16	1.034	4.870
1991	4.03	11.10	36.85	81.93	386.12	0.950	5.035
1992	4.73	10.76	35.78	87.34	347.01	0.924	6.775
1993	5.93	10.90	39.03	87.32	318.87	1.023	5.966
1994	6.12	11.45	40.95	86.91	363.51	1.206	5.146
1995	5.36	11.22	38.90	83.51	390.82	1.100	4.996
1996	5.09	10.74	41.51	86.23	421.00	1.129	4.788
1997	6.87	11.35	39.76	102.65	403.56	1.094	5.152
1998	6.47	12.73	42.75	99.29	418.48	1.219	5.721
1999	8.57	14.17	44.24	101.95	420.15	1.148	7.088
2000	8.12	12.28	49.73	102.21	475.55	1.118	6.071
2001	7.63	16.07	48.39	99.06	556.10	1.349	8.612
2002	6.32	13.70	54.01	96.99	475.44	1.120	7.160
2003	6.60	16.59	53.30	143.82	474.45	1.313	3.769
2004	17.15	18.70	59.03	177.81	522.71	2.087	11.883
2005	18.48	22.72	83.47	223.94	742.02	2.134	5.878
1st Quarter 2006	12.68	19.23	98.53	213.57	703.53	2.353	8.896
2nd Quarter 2006	34.14	25.58	97.86	424.90	983.48	2.121	6.681
3rd Quarter 2006	30.27	28.44	95.31	380.18	1048.83	2.870	21.319
4th Quarter 2006	18.42	25.96	90.78	250.42	982.29	2.134	12.971
<b>Year 2006</b>	<b>16.75</b>	<b>22.34</b>	<b>94.84</b>	<b>235.00</b>	<b>824.21</b>	<b>2.291</b>	<b>8.231</b>
1st Quarter 2007	36.20	28.22	95.84	281.37	709.07	2.524	11.839
2nd Quarter 2007	38.72	30.10	100.82	292.38	970.91	2.146	16.966
3rd Quarter 2007	14.06	23.87	95.81	281.02	684.95	1.966	114.651
4th Quarter 2007	7.66	18.68	82.02	241.53	663.75	1.794	10.036
<b>Year 2007</b>	<b>14.18</b>	<b>22.64</b>	<b>94.23</b>	<b>267.73</b>	<b>740.62</b>	<b>2.062</b>	<b>15.358</b>
1st Quarter 2008	12.36	20.27	86.60	243.78	762.15	1.838	11.685
2nd Quarter 2008	10.60	20.16	93.72	261.68	781.95	2.373	10.853
3rd Quarter 2008	29.38	20.59	88.38	225.01	674.29	2.566	8.822
4th Quarter 2008	15.07	16.83	72.98	215.07	596.99	1.970	15.340
<b>Year 2008</b>	<b>14.90</b>	<b>19.73</b>	<b>86.53</b>	<b>232.69</b>	<b>724.11</b>	<b>2.068</b>	<b>11.426</b>
1st Quarter 2009	20.45	25.53	82.10	187.00	868.70	1.216	12.311
2nd Quarter 2009	9.93	16.04	67.66	190.19	627.10	1.464	18.811
3rd Quarter 2009	17.80	16.42	159.84	149.59	602.56	1.261	6.104
4th Quarter 2009	8.95	14.73	93.56	183.96	558.23	1.366	12.012
<b>Year 2009</b>	<b>12.25</b>	<b>16.44</b>	<b>88.61</b>	<b>164.03</b>	<b>634.07</b>	<b>1.308</b>	<b>9.902</b>

1. Unclassified.
2. Beginning 1st quarter 2003, structural steel includes the furnish and the erect structural steel (bridge).

Exhibit C

California Department of Transportation

Number and Dollar Value of Highway Projects

Total Number of Bids and Average Number of Bidders  
(October 1, 2009 through December 31, 2009)

	RANGE 1	RANGE 2	RANGE 3	RANGE 4	RANGE 5	RANGE 6	RANGE 7	RANGE 8	All Projects
Up to \$50,000	\$50,000 to \$100,000	\$100,000 to \$250,000	\$250,000 to \$500,000	\$500,000 to \$1,000,000	\$1,000,000 to \$2,500,000	\$2,500,000 to \$5,000,000	\$5,000,000 and above		
Number of Projects	2	14	16	19	18	2	5	76	
Total Value*	\$197,942	\$2,457,561	\$6,113,334	\$13,355,506	\$27,099,594	\$7,706,129	\$73,351,746	\$130,281,811	
Number of Bidders	10	163	155	179	136	13	45	701	
Average No of Bidders	5.0	11.6	9.7	9.4	7.6	6.5	9.0	9.2	
<b><u>Structure Projects</u></b>									
Number of Projects	0	2	1	4	1	0	0	8	
Total Value*	\$0	\$408,280	\$368,669	\$2,445,207	\$1,169,220	\$0	\$0	\$4,391,377	
Number of Bidders	0	22	10	48	16	0	0	96	
Average No of Bidders	0	11.0	10.0	12.0	16.0	0	0	12.0	
<b><u>Combination Projects</u></b>									
Number of Projects	0	0	0	0	0	0	9	9	
Total Value*	\$0	\$0	\$0	\$0	\$0	\$0	\$400,798,257	\$400,798,257	
Number of Bidders	0	0	0	0	0	0	70	70	
Average No of Bidders	0	0	0	0	0	0	7.8	7.8	
<b><u>Summary</u></b>									
Number of Projects	2	16	17	23	19	2	14	93	
Total Value*	\$197,942	\$2,865,841	\$6,482,003	\$15,800,713	\$28,268,814	\$7,706,129	\$474,150,003	\$535,471,445	
Number of Bidders	10	185	165	227	152	13	115	867	
Average No of Bidders	5.0	11.6	9.7	9.9	8.0	6.5	8.2	9.3	

\*Bid Items Only

Average Number of Bidders by Month

OCT	NOV	DEC
8.8	10.1	9.5

Client Initials RLJ	Consultant Initials R
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## EXHIBIT "A"

### DESCRIPTION OF THE ASSIGNMENT

The City of Scotts Valley has requested that C2G/Civil Consultants Group, Inc. (C2G) to submit this proposal for civil engineering services for schematic engineering and cost estimating. The proposal also includes coordination with a traffic engineer to distribute the traffic impacts evenly between projects. The traffic engineer will also provide consultation in the improvement plans prepared by C2G.

### SCOPE OF SERVICES

The scope of engineering services offered in implementation of this assignment has been described below:

#### Task 1.0 - Compilation of Data

C2G staff will compile City of Scotts Valley record drawings, existing topographic surveying that C2G possesses, and aerial topographic mapping. The data will be compiled to create a comprehensive CAD exhibit for the schematic engineering. This exhibit will extend from State Hwy. 17 south-bound off-ramp at Mount Hermon Road to 200-feet west of Kings Village Road.

This task will be performed for a fixed fee sum of \$3,000.

#### Task 2.0 - Schematic Engineering Plans

C2G staff will use the compiled data in Task 1.0, to prepare schematic engineering plans (25-percent engineering plans) that comply with the recommendations in the EIR for the City of Scotts Valley Town Center Specific Plan. C2G will verify right-of-way (as accurately as possible without preparing a boundary survey) and depict necessary road widening and lane reconfiguration. The schematic plans will also identify mast arms and electroliers that may be impacted by the proposed improvements.

C2G's Traffic Engineer (W-Trans) will also provide input and consultation during this phase and visit the site for assess the existing traffic signal equipment.

This task includes two - 1 hour meetings with Public Works staff to review and finalization of the product.

This task will be performed for a fixed fee sum of \$18,000

#### Task 3.0 - Schematic Cost Estimating

Once the schematic plans have been prepared and reviewed by City staff, C2G will prepare a schematic cost estimate associated with the necessary road improvement along Mount Hermon Road. C2G's



Client Initials <i>RLJ</i>	Consultant Initials <i>JK</i>
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Traffic Consultant (W-Trans) will also provide cost estimates associated with the traffic signal modifications.

This task will be performed for a fixed fee sum of 3,000

#### **Task 4.0 - Distribution of Traffic Impacts**

C2G's Traffic consultant (W-Trans) will determine the fare share contribution to be applied to development projects for the two intersections previously discussed. Currently the city has identified 47 proposed projects within the City of Scotts Valley. The criteria for eliminating small projects from the identified list has not be finalized by the City. It is C2G's understanding that this process is currently being prepared by the City, but is not close to being complete. Because of this situation, C2G cannot provide a fixed fee for the distribution of traffic impacts. At this time, C2G will provide the work for this task on a Time & Material Basis not to exceed \$6,000 without written permission from the City of Scotts Valley. The scope of material provided during this task are the following:

- Assumes no more than 35 projects will be required to be distributed at the two intersections;
- Traffic generated at each of the two intersection by the cumulative project will be determined based upon the traffic projections used in the Town Center EIR.
- Project distribution will be reviewed and approved by the City prior to distributing fare share cost for the Mount Hermon Road Improvements.

#### **SERVICES NOT INCLUDED**

The following services, which may or may not be required for this project, are specifically not included as a part of the Consultant's work effort under this proposal:

- (a) boundary survey or topographic mapping;
- (b) structural engineering;
- (c) electrical engineering associated with traffic signals;
- (d) geotechnical engineering services;
- (e) underground utility verification;

The preceding list is not intended to be exhaustive and shall not be construed to include any work as offered under this proposal except that specifically identified in the Scope of Services. The omission of any service or work effort from the above listing shall not be interpreted as including such service or work effort under this Agreement.

#### **SUPPLEMENTAL SERVICES**

Additional services that exceed the original scope of work (Task 1.0 - 4.0) will be considered additional services. Such services, if authorized by Client, shall be provided in accordance with our standard hourly rates (Exhibit "B") as described under "Cost of Services" herein.

Client Initials <i>RLJ</i>	Consultant Initials <i>MC</i>
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**COST OF SERVICES**

The proposed fixed fee cost for the work effort (Task 1.0 - 3.0) outlined herein above is as follows:

Task 1.0 – Compilation of Data .....	\$ 3,000
Task 2.0 – Schematic Engineering Plans .....	\$ 18,000
Task 3.0 – Schematic Cost Estimating .....	<u>\$ 3,000</u>
Subtotal .....	\$ 24,000

The Time & Material cost (per the attached C2G and W-Trans Fee Schedule) not to exceed \$6,000 without written permission by the City of Scotts Valley is shown for Task 4.0 below :

Task 4.0 – Distribution of Traffic Impacts .....	T&M (NTE): \$6,000
Subtotal .....	<u>\$ 6,000</u>
Maximum Not-to-Exceed (NTE) Total .....	\$ 30,000

Consultant is entitled to the full amount of the fixed fee as compensation for Consultant’s performance of this assignment unless modifications in scope and fees are specifically agreed to by the parties in writing.

**GENERAL TERMS**

The services described herein will be provided in accordance with City of Scotts Valley Contract for Professional Services.

Compensation for engineering services shall be payable monthly as the work is performed per Part 4 - *Compensation* per the City of Scotts Valley Contract for Professional Services

Extra work items or other additional services (beyond those described herein) will be provided in accordance with our standard schedule of hourly rates. Payment will be due within 30 calendar days from the date that billings for such services are presented.

