



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of March 11, 2025

TO: Mayor and Members of the City Council

VIA: Dante Hall, City Manager

SUBMITTED BY: Jeff Brown, Acting Public Works Director

SUBJECT: Update on the Hercules Hub and Amendment No.3 with Gray Bowen Scott for a Not to Exceed Amount of \$562,500 to Provide Project Management and Advance the Funding Plan for The Hub

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to execute Amendment No.3 with Gray Bowen Scott (GBS) for a not-to-exceed amount of \$562,500 to continue project management and advance the funding plan for The Hub for a total not-to-exceed contract amount of \$1,465,001.

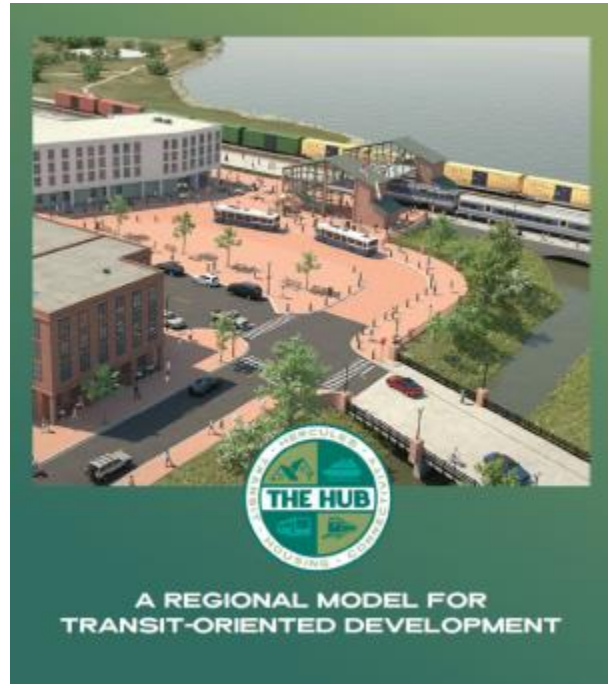
EXECUTIVE SUMMARY:

Hercules is uniquely positioned to advance The Hub, which includes a new train stop and ferry service along the waterfront. Currently, sufficient grant money is available to cover the cost of this contract amendment, which will advance the design and there is sufficient grant money available to cover the cost of this contract amendment, which will advance the design and look to leverage future grant opportunities when infrastructure funding is at the highest level in recent history. Both state and federal legislation has a heightened awareness of the need to address climate change and get people out of cars. Transit-oriented development, which includes both housing and employment elements, is already situated adjacent to the site. This makes the Hub a very competitive project that aligns with both state and federal priorities. Given the \$107.7M needed to fully fund the project, entering into a contract amendment with GBS at this time will continue to make the most of this window of opportunity.

BACKGROUND:

The Hub is Hercules' premier, regional, state-of-the-art housing and transportation community along the waterfront. By connecting thousands of homes with a new train stop along the Capitol Corridor, bicycle and pedestrian pathways, bus routes, carpool options, and ferry service, The Hub and its surrounding community will be a model for successful transit-oriented communities in the Bay Area.

The project has received full environmental clearance, right of way has been secured, and \$46M in improvements have been constructed to date using grant funding. This includes the extension of John Muir Parkway and Bayfront Boulevard to provide direct access from I-80/SR-4 to The Hub; also, Bay Trail gap closures to the north and south now ensure connectivity to Rodeo, a community of concern, and to the existing trail towards Sante Fe Avenue from Railroad Avenue.



Over the past year under the current contract, GBS has completed and accomplished the following (also includes follow-up notes & tasks):

- The GBS team has been serving as the City's Project Manager, overseeing the design delivery of the project.
- The GBS team continues to maintain the funding plan for The Hercules Hub.
- The City of Hercules secured \$850,000 in earmark funding for the Hercules Hub project in March of 2024.
- The GBS team met with Kevin Rodin to discuss securing Affordable Housing and Sustainable Communities (AHSC) funds.
- The GBS team applied for the FSP-National program and the CRISI program. Although the grants were not awarded, the team gained valuable feedback during the debrief and is now pursuing funding from the Corridor ID program in partnership with Capital Corridor Joint Powers Authority.
- The GBS team applied for the Sustainable Transportation Planning Grant (STPG) to study the feasibility of additional modes of transportation such as ferry and passenger drones.
- The GBS team met with CCTA, who emphasized the importance of establishing local match funds for future federal funding.

ANALYSIS:

[In August of 2022, the City Council approved a sole source agreement with GBS to develop a funding plan for the Hercules Hub (then called the Regional Intermodal Transit Center) and to advance the Hercules Hub through project management, grant opportunity research, and positioning the project for grant competitiveness.

In January of 2023, the Council approved Contract Amendment No.1 to apply for design phase grant funding through the Federal Railroad Administration's 2023 Federal-State Partnership for Intercity Passenger Rail Program (FSP) and the California State Transportation Agency's Transit and Intercity Capital Rail Program (TIRCP). The City was awarded \$2.4M in TIRCP funding through this effort.

In June of 2023, the Council approved Amendment No. 2 to continue project management, advance the funding plan, and apply for design phase grant funding through the CRISI program, the Corridor ID program, and STPG. As mentioned above, the City's CRISI grant application was not successful. The City is still awaiting news on the success of our Corridor ID and STPG applications.

Under proposed Contract Amendment No. 3, GBS will continue to manage the funding plan and will begin project development services while the City awaits STPG and Corridor ID grant awards, maintaining project momentum including strategic coordination and advocacy.

GBS's Amendment No. 3 scope consists of 4 tasks: Project Management, Funding Plan Advancement, Project Development, and STPG Funds, as shown in the table and further described below:

Tasks to be Managed Until Dec. 31, 2026 (2 Years)	Budget
Task 5: Project Management and Controls	\$199,500
Task 6: Funding Plan Advancement	\$206,500
Task 7: Project Development	\$96,000
Task 8: Management of STPG Study*(Optional Task)	\$60,500
Totals	\$562,500

* If the grant associated with Task 8 is awarded, the City Manager would be authorized by City Council to initiate the work of Task 8.

Task 5 – Project Management and Controls

This task is focused on leading the project delivery. Consultant will serve as the City's Project Manager in providing direct management of the City's design consultant in respect to contract scope, cost, and schedule. The consultant will serve as the City's extension of staff for project delivery issues with the City's partners, stakeholders, and consultants as required and will keep the City's Project Manager apprised of and involved in project progress on a regular basis. Also, this task includes the management of the Refugio Creek EIR/EIS close-out and the transfer to the John Muir Land Trust. In addition, the

Consultant will manage the Bio-Rad coordination and ROW engineering for future land transfer to UPRR.

Task 6 – Funding Plan Advancement

This task is focused on managing the project's funding plan, evaluating new funding opportunities as they arise, and applying for identified funding programs. It includes strategic stakeholder coordination and advocacy to establish and reinforce stakeholder support for potential funding opportunities.

Task 7 – Project Development

This task is focused on procuring design consultants and coordination with UPRR regarding the Capacity Analysis and Design review, plus any new consultants regarding the time-loss mitigation study and the 30% PS&E.

Task 8 – Management of STPG Study (Optional task)

Based on input received, the City has pursued the STPG study to position the Hercules Hub project for competitiveness for future funding. If the grant associated with this task is awarded, the City Manager will be authorized by the City Council to initiate the work.

This task is focused on management of the project's Scoping Phase for the Ferry and Vertiport project if awarded STPG funding. It includes strategic stakeholder coordination and advocacy to establish and reinforce stakeholder engagement. Procurement and management of the new consultant contracts, including review of invoices and processing amendments as needed. Developing strategies to guide various project issues to resolution and presenting the final feasibility study report to the City of Hercules City Council, and other stakeholders as needed.

FISCAL IMPACT:

There is sufficient funding to fully fund Amendment No.3 utilizing grants from the Sub-Regional Transportation Mitigation Program (STMP) funded by the West Contra Costa Transportation Commission (WCCTC). Once Transit and Intercity Capital Rail Program (TIRCP) funds are made available through the California State Transportation Agency (CalSTA), they will be used to pay the balance of the amendment in order to make the residual STMP funds available for other project expenditures.

Amendment No. 3 Funding Source

STMP (2025 Expenditures)

Amount

\$502,000

For the Optional Task, the Sustainable Transportation Planning Grant (STPG) and Capital Reserve from the City of Hercules are proposed to be included in the Adopted FY 24-25 Budget as follows:

Optional Task Funding Sources

STPG

\$ 54,191

Capital Reserve (City of Hercules)	\$ 6,309	
Total		\$ 60,500
Grand Total		\$562,500

Below are the cost of the project development scope and the planned solution for funding this work.

2025 & 2026 Funding Plan for the Project Development Phase:

Project Development Cost by Contractor				Funding for 2025 & 2026			
Rail Station & Track	2025	2026	Grand Total	STMP	TIRCP	Corridor ID	Grand Total
GBS							
<i>Project Management</i>	\$ 276,500	\$ 225,500					
*GBS Total	\$ 276,500	\$ 225,500	\$ 502,000	\$ 502,000			
HDR							
1 <i>Refugio Creek Closeout - EIR/ EIS</i>	\$ 50,000	\$ -					
2 <i>BioRad Coordination and ROW Engineering for future transfer to UPRR</i>	\$ 50,000	\$ -					
3 <i>Ongoing Support</i>	\$ 25,000	\$ -					
HDR Total	\$ 125,000	\$ -	\$ 125,000		\$ 125,000		
UPRR							
1 <i>UPRR Capacity Analysis</i>	\$ 175,000	\$ 75,000					
2 <i>UPRR Design Reviews</i>	\$ 50,000	\$ 165,000					
UPRR Total	\$ 225,000	\$ 240,000	\$ 465,000		\$ 250,000	\$ 215,000	
New Design Consultant							
<i>Project Study Report Equivalent for STIP</i>							
1 <i>Funds</i>	\$ -	\$ 150,000					
2 <i>Time-loss Mitigation study</i>	\$ 25,000	\$ 25,000					
3 <i>30% PS&E & Env Revalidation/ Track Design</i>	\$ 1,230,000	\$ 2,455,000					
New Design Consultant Total	\$ 1,255,000	\$ 2,630,000	\$ 3,885,000		\$ 1,523,000	\$ 2,362,000	
Rail Station & Track Total	\$ 1,881,500	\$ 3,095,500	\$ 4,977,000	\$ 502,000	\$ 1,898,000	\$ 2,577,000	\$ 4,977,000
Ferry & Vertiport				STPG	City of Hercules		Grand Total
GBS							
<i>Project Management</i>	\$ 6,000	\$ 54,500					
*GBS Total	\$ 6,000	\$ 54,500	\$ 60,500	\$ 54,191	\$ 6,309		
New Consultant							
<i>Ferry & Vertiport Study</i>	\$ -	\$ 339,583					
New Consultant Total	\$ -	\$ 339,583	\$ 339,583	\$ 281,373	\$ 58,210		
Ferry & Vertiport Total	\$ 6,000	\$ 394,083	\$ 400,083	\$ 335,564	\$ 64,519		\$ 400,083
Grand Total	\$ 1,887,500	\$ 3,489,583	\$ 5,377,083	\$ 837,564	\$ 1,962,519	\$ 2,577,000	\$ 5,377,083

*GBS Contract total \$562,500 (\$502,000 Rail Station + \$60,500 Ferry)

The financial commitment to date for the GBS contract is as follows:

	Approval Date	Authorized Amount
Original Contract	8/09/2022	\$474,753
First Amendment	1/24/2023	\$115,579
Second Amendment	6/13/2023	\$312,169
Third Amendment	Pending	\$562,500
Total		\$1,465,001

ATTACHMENTS:

Attachment 1- Resolution

Attachment 2- Letter Proposal including Scope & Budget

Attachment 3 – Hercules Hub Council Presentation