



SAN JOAQUIN COUNCIL OF GOVERNMENTS

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March 12, 2004

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CLATSOP

Mr. Bob Balgenorth
California Transportation Commission Chair
State Building & Construction
Trades Council of California
1225 8th Street, Suite 375
Sacramento, CA 95814

RE: PROPOSAL TO LOAN THE STATE \$118 MILLION INTEREST FREE TO DELIVER I-205 AND ROUTE 99 PROJECTS.

Dear Chair Balgenorth:

The San Joaquin Council of Governments (SJCOG) has submitted a request to the California Transportation Commission which proposes an AB 3090 loan to the state of approximately \$118 million, interest free, to deliver four state highway projects in the region. The interest cost borne by the region, at a minimum, is \$11.5 million from a bond secured by SJCOG. The Commission has no financial responsibility to that bond or liability if reimbursement payments are delayed.

The four projects are identified in the maps attached. They are: I-205 Widening, Route 99 Widening, Route 99/120 interchange, and Route 99/Hammer Lane interchange. The top critical points of interregional mobility and connectivity statewide include these key locations.

The Commission staff has requested information about the Measure K sales tax program, including an explanation why replacement projects were not proposed. Thank you for this opportunity to provide the clarification needed to help the Commission and your staff better understand the AB 3090 proposal.

The sales tax is committing approximately \$42 million towards these projects, the equivalent of 5 years of sales tax funding for street and road projects in the sales tax program.

The Measure K Ordinance includes a voter-approved Expenditure Plan that set specific limits on how the Measure K revenue is spent. The Expenditure Plan outlined that Measure K revenue must be divided as follows:

- 35% to Local Street Repair
- 25% to Congestion Relief Projects (state highways, local streets)
- 32.5% to Passenger Rail and Bus Service
- 7.5% to Railroad Crossing Safety

In its thirteen years, Measure K has delivered the following:

- **All the bus transit capital investments:** This includes all transit buses needed to fully operate bus and rail transit systems in the region. In fact, Measure K was front loaded with capital investments for transit in order to get the transit systems running as soon as possible. Thus, the remaining transit allocations fund operations and on-going maintenance. The sales tax for operations is vital to sustain rail and transit because operations funding is the most difficult funding to secure at the state and federal level. Due to the very fact of the lack of Measure K dollars for transit capital, SJCOG set aside in a STIP reserve, funds of \$2.4 million for the Regional Transit Clean Air Facility and \$1.7 million for the Wilson Way Expansion/Modernization Facility. Both of these capital projects do not have one dollar of Measure K funds. They were slated for programming in the 2004 STIP but are currently delayed due to the STIP financial capacity.
- **Transit Oriented Multimodal Stations completed, remaining two going into construction in 2005 and 2006:** Measure K committed to transit oriented stations in every city and to date, there are only two left remaining. One is a STIP project, the Tracy Multimodal Station which is currently being delayed due to lack of funding (an allocation request will appear at the Commission's May meeting.) Construction is scheduled for 2005. The other is the Manteca Multimodal Station which is going to construction in 2006. These multimodal stations cannot be delayed because they are the critical path in efforts to expand rail and/or transit lines.
- **All rail transit capital investments:** The Altamont Commuter Express capital investments were made possible by Measure K which fronted tens of millions in capital dollars to start a Demonstration Service of two trains from the San Joaquin Valley to the Bay Area. The final installment of Measure K funds for rail cars went to purchase a third train set two years ago. The last major capital investment for rail occurred in December 2003, providing \$5 million for rail track improvements. Now, all rail transit dollars are devoted to operations and maintenance of cars and rail platforms.
- **Local Street Repair automatically subvented:** These funds are allocated immediately to local agencies for their local street repair needs. These funds assist agencies in reducing the agency's backlog of deferred maintenance needs.
- **All state highway projects delivered:** No state highway projects remain in the congestion relief program with exception of the ones identified in the STIP amendment. The remaining local arterial improvement projects are going to construction in the next one or two years. None of these arterial improvements are of statewide significance and most cannot be federalized.
- **Railroad Crossing Safety delivered:** All railroad grade separation projects have been delivered with the exception of the West Lane Grade Separation. SJCOG is working with the lead agency, San Joaquin County, to examine ways to eliminate \$16 million shortfall for construction. Until this shortfall is eliminated, programming STIP funds would be premature.

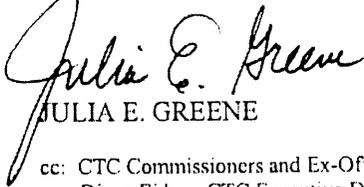
Page 3
Chair Balgenorth
March 12, 2004

The very fact that SJCOG has fulfilled its capital needs in thirteen years show the region's commitment to project delivery.

San Joaquin Council of Governments has made a commitment to the voters that the Measure K dollars will be spent exactly as described in the Ordinance and Expenditure Plan. To de-construct and change how those dollars were approved by the voters would undermine the integrity of all sales taxes in California.

Enclosed are the region's voter-approved Measure K Sales Tax Ordinance and Expenditure Plan, adopted in 1990 and sunsets in April 2011. Thank you for your consideration.

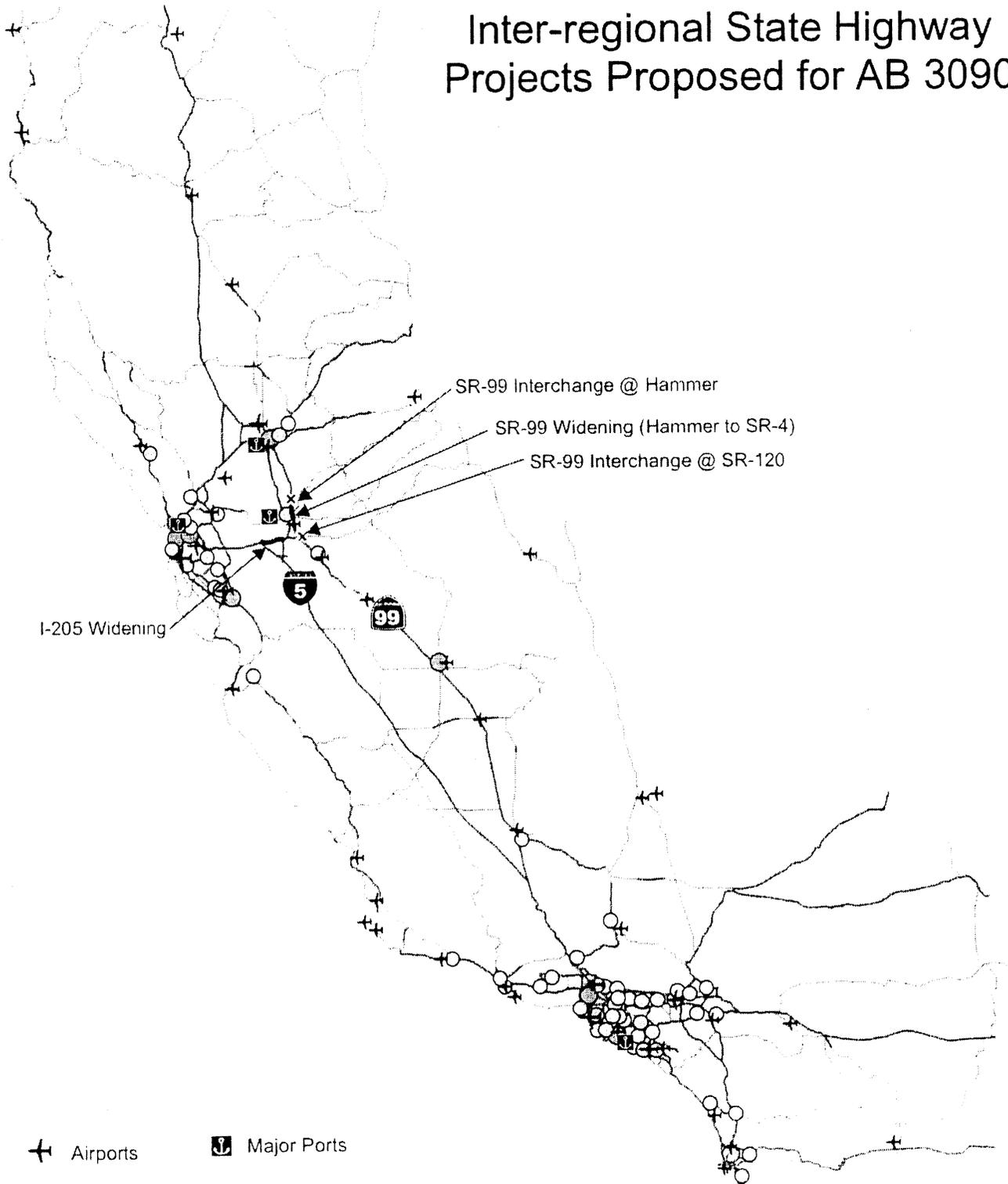
Sincerely,



JULIA E. GREENE

cc: CTC Commissioners and Ex-Officio Members
Diane Eidam, CTC Executive Director
Tony Harris, Jim Nicholas, Bob Garcia, Julie Dunning, David Youmans, Caltrans
John Ferrera, BT and H

Inter-regional State Highway Projects Proposed for AB 3090



✈ Airports

🚢 Major Ports



0 25 50 100 150 Miles