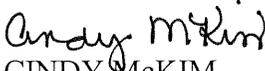


Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 2-3, 2005

Reference No.: 3.13
Information Item

From: 
CINDY MCKIM
Chief Financial Officer

Prepared by: Jay Norvell
Acting Division Chief
Project Management

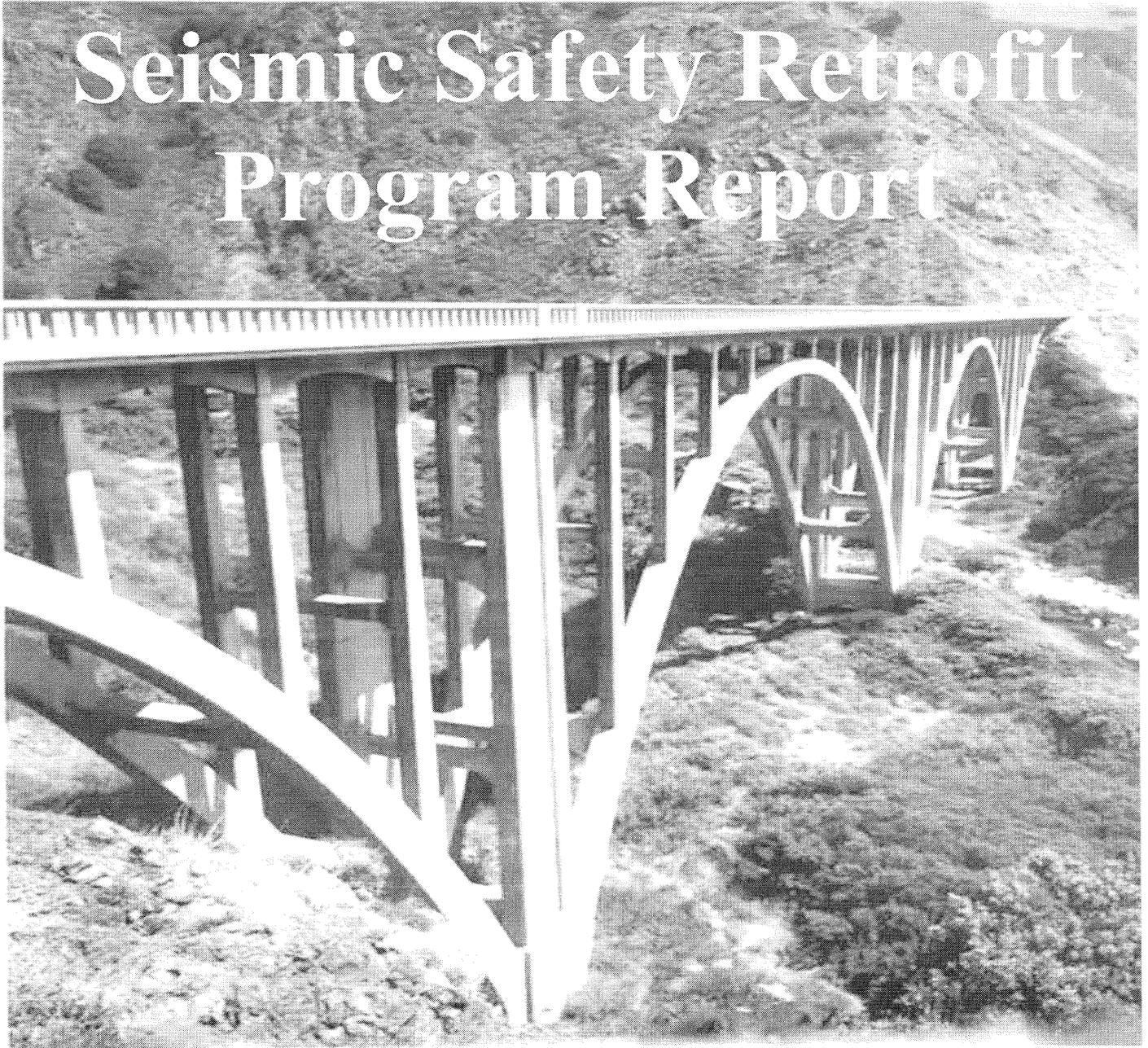
Ref: **2004 THIRD QUARTER SEISMIC SAFETY RETROFIT PROGRAM REPORT**

The Department of Transportation's 2004 Third Quarter Seismic Safety Retrofit Program Report, ending September 30, 2004, is attached.

Attachment

**California Department
Of Transportation**

**Seismic Safety Retrofit
Program Report**



Phase 1, Phase 2 and Local Bridge Retrofit Programs

Third Quarter (Ending September 30) 2004

Seismic Safety Retrofit Program

Third Quarter 2004

Quarterly Report

Purpose

The purpose of this report is to provide information on the status and progress in delivering California Department of Transportation's (Department) non-toll seismic safety retrofit Programs. This report fulfills the Department's statutory reporting requirement outlined in Assembly Bill (AB) 1717 (Committee on Transportation, Chapter 525, Statutes of 2003), which amended Section 188.5 (h) of the Streets and Highways Code.

This legislation consolidated what was previously three separate reporting requirements as outlined below:

- Government Code 8879.1(d) Quarterly seismic retrofit progress report
- Government Code 8879.17 Annual report on seismic retrofit funding
- Streets and Highways Code 180.10 Annual seismic retrofit progress report

The \$2 billion Seismic Retrofit Bond Act of 1996 (Proposition 192) was approved by the voters at the March 26, 1996 general election. This bond initially established \$1.35 billion in funding for the Phase 2 Seismic Retrofit Program and an additional \$650 million for the Toll Bridge Seismic Retrofit Program. Funding for the Phase 2 Seismic Retrofit Program was subsequently revised by Senate Bill (SB) 60 (Kopp, Chapter 327, Statutes of 1997). The amount of bond funding for the Phase 2 Retrofit Program was reduced to \$1.21 billion to reflect \$140 million in Federal funds expended prior to passage of the bond. The bond savings were added to the Toll Bridge Seismic Retrofit Program budget increasing the total amount of bond funding for toll bridges to \$790 million.

The Department has three non-toll seismic safety retrofit programs as outlined below. The Toll Bridge Seismic Retrofit Program is reported separately as outlined in Section 188.5 (g) of the Streets and Highways Code.

- Phase 1 Seismic Retrofit Program – Phase 1 consists of State bridges that were determined to be the most critical bridges requiring seismic retrofit based on the Department's initial seismic screening process.
- Phase 2 Seismic Retrofit Program – Phase 2 consists of the remaining State bridges that were determined to need seismic retrofit based on additional screening in the Department's seismic screening process.
- Local Bridge Seismic Retrofit Program – Consists of seismic retrofit of non-State public owned bridges.

All of the information in this report is as of September 2004, unless otherwise noted. The dollar amounts shown in all charts and graphs are in the millions unless otherwise noted.

Phase 1 Seismic Retrofit Program

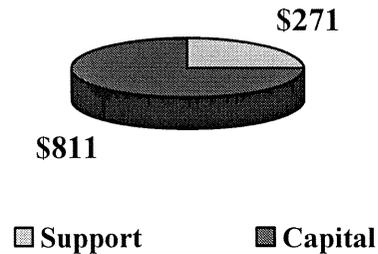
Progress Report / Milestones Achieved

The Phase 1 Seismic Retrofit Program was completed in May 2000. A total of 1,039 State highway bridges were retrofitted under the Phase 1 program.

Program Funds

The total budget for Phase 1 was \$1.082 billion. A total of \$811 million was allocated for construction, and an additional \$271 million was expended for support. There is a balance of encumbered funds (approximately \$9 million) allocated for construction that will be sufficient to cover any outstanding claims and arbitration settlements that may occur.

Program Expenditures



The funding for the Phase 1 program came from the State Highway Account and the Federal Highway Trust Fund Highway Bridge Replacement and Rehabilitation (HBRR) program, through the Department's State Highway Operations and Protection Program (SHOPP). State and Federal gas tax revenues provide the funds to the State Highway Account and Federal Trust Fund.

Phase 2 Seismic Retrofit Program

Progress Report / Milestones Achieved

The Phase 2 Seismic Retrofit Program is currently 98.4 percent complete. To date 1,138 State highway bridges, out of a total of 1,155 planned bridges, have been retrofitted under the Phase 2 program. Currently, there are nine bridges under construction and eight bridges under design. The planned delivery and retrofit completion dates of the remaining bridges are outlined on the next page.

The second contract (value - \$38 million) of three planned contracts at the Alameda County junction of Interstates 80 and 580 was completed this quarter.

Phase 2 Seismic Retrofit Program (continued)

Program Delivery

The few remaining bridges are taking substantially longer to deliver because they are either total bridge replacement projects, or are follow-up contracts to earlier contracts. Bridge replacement contracts face delivery challenges including environmental protection, construction under heavy traffic conditions, and securing public input and acceptance for project approval.

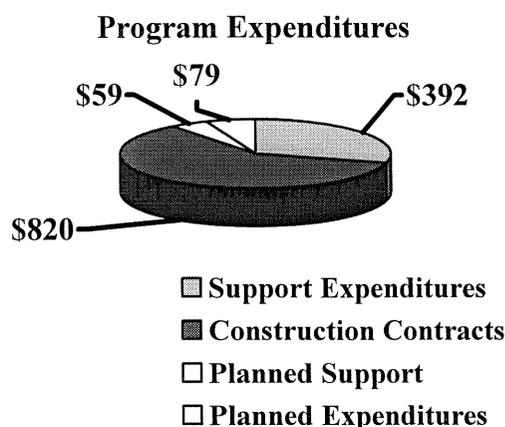
| Remaining Phase 2 Retrofit Program Bridges | | | | |
|--|-------------------|-----------------------------|-------------------|---------------------|
| Bridge – Location | Number of Bridges | Delivery (RTL) ¹ | Retrofit Complete | Prop 192 Cost |
| Hum-255 Humboldt Bay | 3 | | Mid - 06 | \$25 |
| Ala-84 Alameda Creek | 1 | | Late - 04 | \$ 4 |
| SBd-10 Colton IC | 5 | | Mid - 05 | \$21 |
| Under Construction | 9 | | | \$50 |
| Men-1 Ten Mile River | 1 | Late - 05 | Early- 09 | \$29 |
| Ala-80/580 Distribution (#3) | 1 | Mid - 04 | Early- 05 | \$15 |
| Ala-880 High Street | 2 | Mid - 05 | Mid - 09 | \$10 ⁽²⁾ |
| Ala-880 5th Ave OH | 1 | Early -05 | Early - 10 | \$19 ⁽²⁾ |
| SB-101 Hollister Ave OC | 1 | Mid - 05 | Early- 07 | \$ 4 |
| LA 47 Schuyler Heim | 1 | Late - 05 | Late - 08 | \$ 0 ⁽²⁾ |
| Mojave River Bridge (#2) | 1 | Early -06 | Mid - 07 | \$ 2 |
| In Design | 8 | | | \$79 |

“Early” – January to April “Mid” – May to August “Late” – September to December

Program Budget

The total budget for Phase 2 is \$1.35 billion. A total of \$820 million has been allocated for construction and right-of-way, and an additional \$392 million has been expended for support. Total commitments of \$1,212 million to date utilize approximately 90 percent of the available program funds.

There is a balance of \$138 million of which \$79 million is planned to be allocated for construction, and \$59 million is planned for support. It is anticipated that all remaining funds will be needed to complete the Phase 2 program.



¹ RTL – Ready to List. Plans complete, right-of-way certified, project is ready to be advertised.

Expenditures shown include allocated funds (encumbrances) for awarded contracts.

² Additional funding being provided by other programs due to other scope needs – i.e., Bridge Rehabilitation or Widening.

Phase 2 Seismic Retrofit Program (continued)

Program Funds

| Fund Source | State | Federal (MDL ³) | Prop 192 | Total |
|-----------------------------|-----------|--------------------------------|----------|---------|
| Program Funds | \$99.8 | \$40.2 | \$1,210 | \$1,350 |
| Expenditures ⁴ | \$99.8 | \$40.2 | \$1,072 | \$1,212 |
| Reimbursements ⁵ | (-\$99.8) | (-\$40.2) | | |
| Funds Available | \$0.0 | \$0.0 | \$138 | \$138 |

Financial Allocation Forecast

| Component | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | Total |
|--|-------|-------|-------|-------|-------|-------|-------|
| Support | \$11 | \$11 | \$10 | \$10 | \$9 | \$8 | \$59 |
| Construction/RW Allocations | \$15 | \$29 | \$29 | \$6 | \$0 | \$0 | \$79 |
| Total | \$26 | \$40 | \$39 | \$16 | \$9 | \$8 | \$138 |

³ MDL – Multi-District Litigation funds received through Petroleum Antitrust Litigation agreement.

⁴ Expenditures shown include allocated funds (encumbrances) for awarded contracts.

⁵ State funds expended from the State Highway Account for Phase 2 prior to the passage of Prop. 192 were required to be reimbursed under SB 60. This reimbursement occurred in 2002.

Local Bridge Seismic Retrofit Program

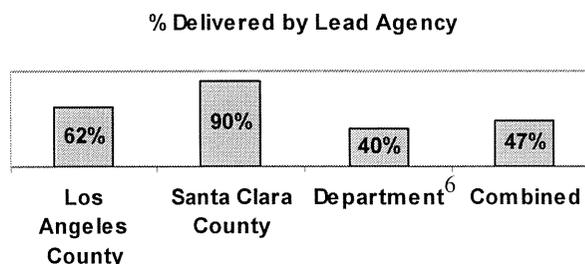
There are 1,234 bridges being tracked through the Local Bridge Seismic Retrofit Program.

Progress Report

In April of 2004, the Department received status updates from local agencies involved in the program. Some local agencies did not provide completion schedules and have indicated that they would not be able to proceed with their seismic retrofit project due to a lack of local matching funds. In September 2002, Assembly Bill 2996, sponsored by the Committee on Budget (Oropeza, Chair), amended Government Code and Streets and Highways Code to eliminate the State match for local seismic retrofit projects. Some local agencies are scheduling construction of projects to future years hoping for State match to be reinstated, and some agencies have provided schedules that are very aggressive. The bridges in this program remain vulnerable to a seismic event until the retrofit is complete. The Department plans to send out a new survey requesting local agencies to provide more realistic schedules.

Program Delivery

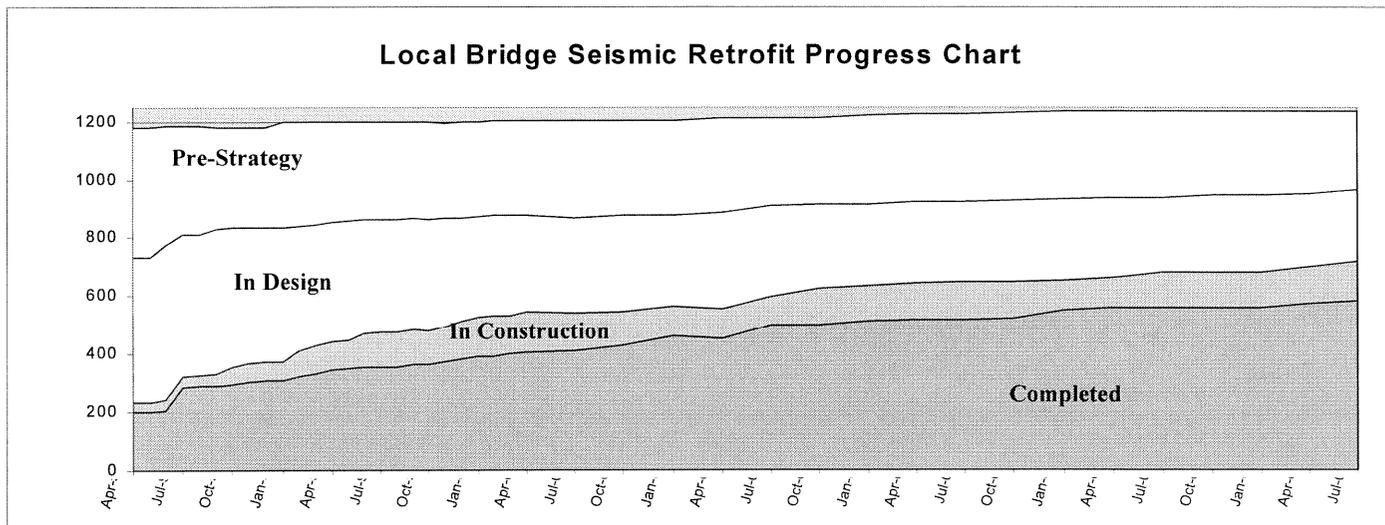
584 bridges (47 percent) have been delivered. The Streets and Highways Code identifies the Department⁶, Los Angeles County, and Santa Clara County as lead agencies for the Local Bridge Seismic Retrofit Program.



Lead agencies are responsible for assessing the need for seismic retrofit work on non-State, public owned bridges, and identifying required retrofit work. Each bridge owner is responsible for securing environmental approvals, right-of-way clearances, and administering construction contracts.

⁶ As lead agency, the Department only assesses the need for seismic work and completes design work. Local Agencies are required to obtain environmental approvals, acquire right-of-way, and assemble bid documents. The Department has fulfilled its obligation as lead agency.

Local Bridge Seismic Retrofit Program (continued)

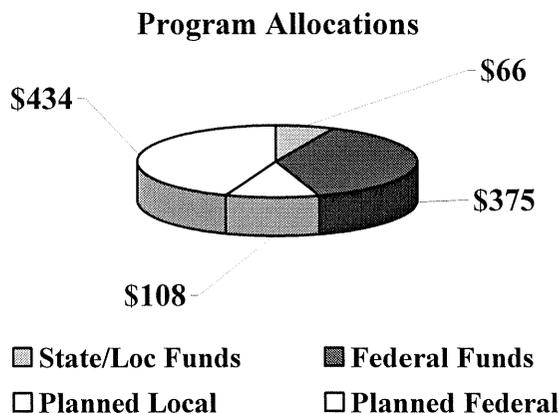


Program Budget

The total estimated budget for Local Bridges is approximately \$983 million.

A total of \$441 million (45 percent) of the estimated budget has been allocated.

As shown in the table below, \$542 million remains to be allocated.



The Federal and State program funding for the Local Bridge Program comes from gas tax revenues utilizing funds through subventions from the Local Assistance Program, which is in turn funded from the State Highway Account and Federal Trust Funds.

Financial Allocation Forecast

| Lead Agency | FISCAL YEAR | | | | | | TOTAL |
|--------------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | |
| Department | \$100 | \$35 | \$25 | \$50 | \$40 | \$35 | \$285 |
| BART | \$10 | \$10 | \$10 | \$30 | \$50 | \$60 | \$170 |
| Santa Clara County | \$1 | \$0 | \$1 | | | | \$2 |
| Los Angeles County | \$30 | \$35 | \$20 | | | | \$85 |
| Total | \$141 | \$80 | \$56 | \$80 | \$90 | \$95 | \$542 |

Status of Proposition 192 Bond Funds

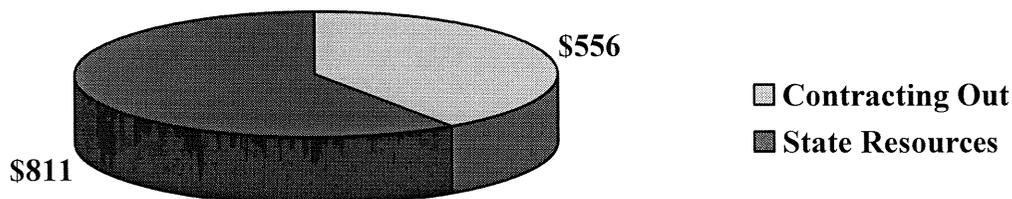
| Proposition 192 Funds | Phase 2 Seismic | Toll Bridge Seismic | Total |
|-------------------------------|--------------------|---------------------------|---------|
| Program | | | |
| Prop 192 Funds | \$1,350 | \$650 | \$2,000 |
| SB 60 Adjustment ⁷ | (-\$140) | \$140 | \$0 |
| Total | \$1,210 | \$790 | \$2,000 |
| Expenditures | \$1,072 | \$790 | \$1,862 |
| Funds Available | \$138 | \$0 | \$138 |
| Interest Expenditures (PMIA) | \$120 | \$0 | \$120 |
| Interest Income (SMIF) | \$118 | \$0 | \$118 |

Seismic Program budgets do not include interest expenditures expended for PMIA loan interest expense as these costs are to be offset by the interest income earned by the SMIF.

Utilization of Contract Resources

Support Expenditures

| | A&E ⁸ | | State | | Total |
|-------------|------------------|---------|--------------|---------|---------|
| | Expenditures | | Expenditures | | |
| | \$ | Percent | \$ | Percent | \$ |
| Phase 1 | \$102 | 38% | \$169 | 62% | \$271 |
| Phase 2 | \$150 | 38% | \$242 | 62% | \$392 |
| Toll Bridge | \$304 | 43% | \$400 | 57% | \$704 |
| Total | \$556 | 41% | \$811 | 59% | \$1,367 |



⁷ There was an adjustment of \$140 million to the Phase 2 program budget for Federal funds expended prior to the passage of Prop. 192. These Prop. 192 bond funds were transferred to the Toll Bridge Seismic Retrofit Program.

⁸ A&E – Architectural and Engineering contracts (consultants).