

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 26-27, 2006

Reference No.: 4.8
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Glenn A. Yee
Chief,
Division of Business,
Facilities and Security

Ref: **DEPARTMENT OF TRANSPORTATION DRAFT FISCAL YEAR 2007-08
FACILITIES INFRASTRUCTURE PLAN**

Attached, for review by the California Transportation Commission (Commission), is an overview of the Department of Transportation's Draft Fiscal Year 2007-08 Facilities Infrastructure Plan (the Draft Plan). The details of the Draft Plan will be made available to the Commissioners prior to the meeting.

Pursuant to Chapter 606, Statutes of 1999 (AB 1473/Hertzberg), State departments are required to annually submit a Five-Year Capital Outlay Infrastructure Plan to the California Department of Finance.

Attachment

Memorandum

To: ROSS CHITTENDEN
Chief
Division of Transportation Programming

CTC Meeting: April 11, 2006

Reference No.: April CTC Meeting

From: MARISELA MONTES
Deputy Director
Administration

Ref: **DRAFT FISCAL YEAR 2007-08 DEPARTMENT OF TRANSPORTATION
FACILITIES INFRASTRUCTURE PLAN**

As requested by the California Transportation Commission (Commission), attached is an overview of the Department of Transportation's proposed Draft Fiscal Year 2007-08 Department of Transportation Facilities Infrastructure Plan (Plan).

The overview of the Plan is to be presented for information at the April 26-27, 2006 Commission meeting in Fresno.

**OVERVIEW OF DRAFT FISCAL YEAR 2007-08 CALIFORNIA DEPARTMENT
OF TRANSPORTATION FACILITIES INFRASTRUCTURE PLAN**

BACKGROUND

Chapter 606, Statutes of 1999 (AB 1473/Hertzberg), requires the Governor to annually submit a Five-Year Capital Outlay Infrastructure Plan in conjunction with the Governor's Budget. The California Department of Finance (DOF) issues an annual Budget Letter providing instruction to State departments for submittal of their plans. Only the California Department of Transportation's (Department) office facilities are required as part of the Budget Letter process. The Budget Letter also requires the Department to provide a list of surplus property, pursuant to Executive Order S-10-04.

The Department provides office facilities for approximately 14,000 employees. The office facilities include 13 office buildings, 12 State-owned and one (1) leased, totaling approximately 3.1 million net square feet of office space among its districts and Headquarters (Sacramento).

In addition to office facilities, the Department's workforce conducts business in a wide array of other buildings and structures (facilities). These transportation-related facilities include equipment shops, maintenance stations, materials and research laboratories, and transportation management centers throughout the State.

The Draft 2007-08 California Department of Transportation Facilities Infrastructure Plan (Facilities Infrastructure Plan) includes the reporting requirements for the Five-Year Capital Outlay Infrastructure Plan. The Facilities Infrastructure Plan also provides information pertaining to the Department's transportation-related facilities. This plan identifies the facilities of the Department, including their type, purpose, location, and condition.

The DOF has not yet issued the Budget Letter that provides instructions for submittal of the 2007-08 Five-Year Capital Outlay Infrastructure Plan. Therefore, the Facilities Infrastructure Plan is considered a draft.

RELATIONSHIP OF FACILITIES INFRASTRUCTURE PLAN AND 2006 SHOPP

All facility related infrastructure projects must be programmed in the State Highway Operations and Protection Program (SHOPP). The SHOPP is a four-year program of projects that have a purpose of collision reduction, bridge preservation, roadway preservation, roadside preservation, mobility enhancement and preservation of other transportation facilities related to the State Highway System.

The Facilities Infrastructure Plan is comprised of four (4) chapters. The first three (3) chapters meet the DOF Budget Letter requirements for the Five-Year Capital Outlay Infrastructure Plan. The Department is providing additional facility information in Chapter 4 that is not part of the annual Budget Letter requirement. Chapter 4 focuses on transportation-related facilities that the Commission approves through the SHOPP.

Not all facility projects in the 2006 SHOPP are included in the Facilities Infrastructure Plan due to two fiscal year differences.

- 1) The SHOPP is a four-year document and the Facilities Infrastructure Plan is a five-year document.
- 2) The 2006 SHOPP begins with Fiscal Year 2006-07 and the Facilities Infrastructure Plan begins with Fiscal Year 2007-08.

Due to the fiscal year differences, the Facilities Infrastructure Plan does not include projects programmed in Fiscal Year 2006-07 of the 2006 SHOPP.

Furthermore, the Facilities Infrastructure Plan extends two additional fiscal years beyond the 2006 SHOPP (Fiscal Years 2010-11 and 2011-12), resulting in additional transportation-related facility projects beyond the 2006 SHOPP time horizon. The Facilities Infrastructure Plan classifies these projects as “unprogrammed needs”. Projects in this category address identified needs for which there has been no funding commitment. These projects will be prioritized for consideration during development of future SHOPP plans.

The 2006 SHOPP includes a Minor Program of approximately \$100 million per year for projects with an individual construction cost of less than \$1 million. The Commission allocates the Minor Program annually as a lump sum and delegates the authority to the Department to sub-allocate to pre-approved projects.

The Facilities Infrastructure Plan includes facility projects that qualify for funding from the Minor Program of the SHOPP. However, these projects must be prioritized among all candidate SHOPP projects eligible for funding from the Minor Program. There is no assurance Minor facility projects will be funded in the 2006 SHOPP.

SUMMARY OF PLAN

The Facilities Infrastructure Plan covers the five-year period beginning with Fiscal Year 2007-08 and ending with Fiscal Year 2011-12. The Department’s Facilities Infrastructure Plan includes 17 programmed projects in the 2006 SHOPP and 106 projects identified as unprogrammed needs.

There is one (1) office facility project located in District 1, Eureka, programmed in the 2006 SHOPP. This project will address deficient major building components such as the heating, ventilation and air conditioning systems; mechanical and electrical; the removal of hazardous materials; and other related alterations, renovations or improvements that will extend the designed useful life of the facility.

The remaining programmed 2006 SHOPP projects are for transportation-related facilities including equipment shops, maintenance stations, materials and research laboratories, and transportation management centers.

In addition to the programmed 2006 SHOPP projects, there are 106 projects identified as unprogrammed needs estimated at approximately \$216 million¹.

The table below identifies the number of projects in the Facilities Infrastructure Plan and the estimated costs.

**FISCAL YEAR 2007-08 CALIFORNIA DEPARTMENT OF TRANSPORTATION
FACILITIES INFRASTRUCTURE PLAN
FISCAL YEARS 2007-08 through 2011-12
(\$ in millions)**

<u>FACILITY TYPE</u>	PROGRAMMED 2006 SHOPP		UNPROGRAMMED NEED	
	<u># of Projects</u>	<u>Est. Cost</u>	<u># of Projects</u>	<u>Est. Cost</u>
OFFICE-RELATED	1*	\$0.3	2	\$3.8
TRANSPORTATION-RELATED				
Equipment Shops	3	\$8.7	2	25.9
Maintenance Stations	8	\$73.6	102	186.9
Materials and Research Laboratories	4	\$50.0	0	\$0.0
Transportation Management Centers	1	\$21.4	0	\$0.0
Total Transportation-Related:	16	\$153.7	104	\$212.8
TOTALS:	17	\$154.0	106	\$216.6

¹ Unprogrammed needs include projects deferred for future consideration beyond the 2006 SHOPP and projects eligible for funding from the SHOPP Minor Program.