

Memorandum

To: Chair and Commissioners

Date: May 13, 2008

From: JOHN F. BARNA, JR.
Executive Director

File: Book Item 4.2
Action

Ref.: ADOPTION OF THE 2008 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

RECOMMENDATION

Staff recommends that the Commission adopt the 2008 State Transportation Improvement Program (STIP) in accordance with the STIP Staff Recommendations made available to the Commission, the Department, and regional agencies on May 9, 2008. Staff recommends that the Commission adopt the STIP using the attached adoption resolution, noting any specific changes, corrections, or exceptions to the May 9 Staff Recommendations.

ISSUE

Under state law, the Commission adopts the biennial five-year state transportation improvement program. The 2008 STIP will cover the five-year period from 2008-09 through 2012-13. Under law, the Commission may allocate STIP funds only in accordance with the adopted STIP. When the Commission adopted the fund estimate for the 2008 STIP, in October 2007, it scheduled the STIP adoption for May 29, 2008. State law requires that, at least 20 days prior to the adoption of the STIP, the Executive Director shall make available the recommendations of staff on the program.

BACKGROUND

As background, this book item includes the text that was part of the Staff Recommendations. It does not include the 109 pages of spreadsheet tables and their descriptions that comprised the remainder of the Recommendations. The Commission staff has made the full Recommendations available by e-mail to commissioners, the Department, and regional agencies and has posted them since May 9 on the Commission's website. The staff has also made a hard copy available to each Commissioner.

The staff will present the Staff Recommendations for review and discussion on the first day of the meeting, May 28. The adoption is scheduled for the second day, May 29.

Attachments

2008 STIP STAFF RECOMMENDATIONS

California Transportation Commission

May 9, 2008

This document presents the recommendations of the staff of the California Transportation Commission (CTC) for the 2008 State Transportation Improvement Program (STIP). State law requires that the Executive Director of the Commission make these recommendations available to the Commission, the Department of Transportation (Caltrans), and the transportation planning agencies and county transportation commissions at least 20 days prior to the Commission's adoption of the STIP. The Commission will receive comments on these recommendations and adopt the STIP at its May 28-29, 2008 meeting in San Diego.

The 2008 STIP adds two new years, 2011-12 and 2012-13, with \$1.164 billion in new STIP funding capacity. Added to the base of \$4.59 billion programmed in the prior STIP for the years 2008-09 through 2010-11, the new STIP will program about \$5.75 billion.

The Commission must consider STIP programming in three distinct categories, reflecting the restrictions on two of the STIP's funding sources, the Public Transportation Account (PTA) and federal Transportation Enhancement (TE) funds. PTA funding is restricted to rail and transit projects. In recent STIPs, when the PTA available was more than sufficient to fund all projects qualifying for PTA, flexible STIP funding was limited to highway and road projects. TE funding is restricted according to federal law and Commission policy is to fund all TE-eligible projects with TE funding.

The Commission's adopted STIP may include only projects that have been nominated by a regional agency in its regional transportation improvement program (RTIP) or by Caltrans in its interregional transportation improvement program (ITIP).

The staff recommendation for the 2008 STIP includes the following:

- Transportation Enhancement. The staff recommendation includes all of the \$144 million in TE projects and reserves nominated in the RTIPs and the ITIP. The project nominations nearly equaled the TE capacity available. We generally recommend that projects carried forward from the prior STIP be programmed in the year identified in the RTIP or ITIP. We generally recommend programming new projects in the two outer years, regardless of the year identified in the RTIP or ITIP. We have adjusted our recommendation for TE reserves by fiscal year to match statewide TE capacity.
- Rail and Transit (PTA). The staff recommendation matches rail and transit programming to PTA capacity and includes all nominated rail and transit projects except for a \$200 million Tier 2 project nomination from Los Angeles County, \$112 million in lower priority nominations from Orange County, and \$10.5 million in ITIP intercity rail nominations. This would program all of the \$865 million in statewide PTA capacity (including carryover capacity). The staff recommendation includes no programming for rail and transit projects in 2008-09, reflecting the absence of PTA

capacity in 2008-09. Our recommendation would delay most carryover projects at least one year, and it would program new projects only in the two outer years.

- Highways and Roads. The staff recommendation matches highway and road programming to STIP flexible capacity and includes about \$940 million in net new programming for highway and road projects. The recommendation does not include about \$694 million in highway nominations, with 80% coming from five southern counties for projects that would have far exceeded target capacities: Los Angeles, \$334 million; San Diego, \$81 million; Ventura, \$52 million; Tulare, \$44 million; and Orange, \$32 million. Most of the remaining exclusions were for local road rehabilitation nominated from counties with identified State highway needs. The staff recommendation would program several counties over target to allow the strategic programming of priority State highway projects in several counties, including Del Norte, El Dorado, Kings, San Benito, and Ventura. It would program all counties for at least the minimum required to fulfill county shares as identified in the fund estimate.

For 2008-09, the staff recommendation would retain all projects that were programmed for 2008-09 in the prior STIP that Caltrans and regions proposed to retain in 2008-09. For 2009-10 and 2010-11, the recommendation retains STIP funding for all CMIA and Route 99 Bond projects and delays funding for most other carryover highway projects by at least one year. We recommend new projects only for the outer two years.

- Reserve pending review of CMIA and Route 99 Bond Program baseline agreements. The staff recommendation would leave an unprogrammed STIP reserve of about \$93 million pending review of STIP funding increases nominated for projects that were funded under the Corridor Mobility Improvement Account (CMIA) and Route 99 Bond programs. Under the procedures applicable to those programs, any changes in project funding or scope will be made only after review of the project baseline agreement and the need for corrective action. As these STIP staff recommendations are published, staff is aware of about \$93 million in requests for additional STIP funding but has not had time to review or make recommendations on these requests. Staff is therefore recommending that the Commission defer action on programming this \$93 million until June or July 2008. Ultimately, the Commission could program this amount either for the proposed CMIA/Route 99 projects or for other STIP project nominations.

We have listed the staff recommendations by project for each county and interregional share on the spreadsheets that follow. The recommendations are based primarily on:

- project priorities and scheduling recommended by regional agencies in their regional transportation improvement programs (RTIPs) and by the Department in its interregional transportation improvement program (ITIP);
- the programming targets identified in the fund estimate for each county and for the interregional program;
- the yearly program capacity for flexible funds, PTA and TE identified in the fund estimate adopted by the Commission in October 2007; and
- Commission policies as expressed in the STIP guidelines.

FUND ESTIMATE AND GUIDELINES FOR THE 2008 STIP

The development of the 2008 State Transportation Improvement Program (STIP) began with the Commission's adoption of the 2008 STIP fund estimate, together with the adoption of amendments to the STIP guidelines, on October 24, 2007. The Commission had exercised its option under state law to delay the adoption of the fund estimate beyond the statutory August 15 date because of pending state and federal legislation that would have a significant effect on the STIP fund estimate. In this case, the delay was about two months, to take into account final action on the 2007-08 state budget and trailer bills and final action on SB 717, which reduced the distribution of PTA funding to the STIP in future years.

Regional agencies and Caltrans nominated projects for the 2008 STIP through their RTIPs and the ITIP, which were due to the Commission by February 19, 2008. The Commission subsequently held two public hearings on those nominations, one on March 12 in Sacramento and the other on March 18 in Los Angeles.

2008 STIP Fund Estimate

The 2008 STIP fund estimate adopted in October 2007 identifies the net capacity available for new programming, including estimates of STIP shares and programming targets for each county and the STIP interregional program. The fund estimate covers the five-year period of the 2008 STIP, 2008-09 through 2012-13, and estimates total statewide new programming capacity of \$1.164 billion, including \$144 million in federal Transportation Enhancement (TE) funds. In addition, the programming of the 2008 STIP will include \$4.59 billion in capacity from projects carried forward from the 2006 STIP. The \$4.59 billion in carryover capacity includes \$178 million for scheduled cash reimbursements to local agencies that advanced local funds for STIP projects by agreement pursuant to AB 3090.

In addition, the 2008 STIP will include \$365 million over the five-year STIP period for the payment of GARVEE bond debt service approved in 2004.

SUMMARY OF 2008 STIP CAPACITY (\$ in millions)

| | Carryover Capacity | New Capacity | Total |
|--|-----------------------|-----------------|----------------|
| Federal Enhancement (TE) | \$ 218 | \$ 144 | \$ 362 |
| Public Transportation Account (PTA) | 879 | -14 | 865 |
| Highway/roads (TIF Prop 42, TFA Prop 1B) | 3,493 | 1,034 | 4,527 |
| Total | \$4,590 | \$1,164 | \$5,754 |

The following table is a breakdown of the \$5.754 billion total STIP capacity by fiscal year:

SUMMARY OF 2008 STIP CAPACITY BY YEAR

(\$ in millions)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | Total |
|------------------|----------------|---------------|---------------|---------------|----------------|----------------|
| Enhancement (TE) | \$ 67 | \$ 72 | \$ 73 | \$ 74 | \$ 76 | \$ 366 |
| Transit (PTA) | 0 | 140 | 225 | 250 | 250 | 865 |
| Roads (TIF,TFA) | 1,776 | 730 | 686 | 643 | 692 | 4,527 |
| Total | \$1,843 | \$ 942 | \$ 984 | \$ 967 | \$1,018 | \$5,754 |

New programming capacity is determined in the fund estimate by estimating available revenues and deducting current commitments against those revenues. “Programming capacity” does not represent cash. It represents the level of programming commitments that the Commission may make to projects for each year within the STIP period. For example, cash will be required in one year to meet commitments made in a prior year, and a commitment made this year may require the cash over a period of years. The fund estimate methodology uses a “cash flow allocation basis,” which schedules funding capacity based upon cash flow requirements and reflects the method used to manage the allocation of capital projects.

The fund estimate for the 2008 STIP included the following three target amounts, which are included in the spreadsheets with this recommendation.

- **Base (minimum).** This is the share for each county and the interregional program through 2011-12, the end of the 4-year county share period that falls within the 2008 STIP period. It is the sum of the share balance through the September 2007 Commission meeting and the STIP formula share of the statewide new capacity available through 2011-12. In accordance with statute and the STIP guidelines, the Commission will program all RTIP proposals that fall within this amount.
- **Target.** This target is determined by calculating the STIP formula share of all new programming capacity available through the end of the 2008 STIP period, 2012-13. It is not a minimum, guarantee, or limit on project nominations or on project selection in any county or region for the 2008 STIP.
- **Maximum.** This target is determined by calculating the STIP formula share of all available revenues, including Public Transportation Account revenues, through the end of the county share period that extends beyond the STIP period, 2015-16. This represents the maximum amount that the Commission may program in a county, other than to advance future share to a county under 1 million population pursuant to Streets and Highways Code Section 188.8(j).

The fund estimate also included targets for new TE programming from each county and the interregional share, with separate targets for 2011-12 and 2012-13. The TE targets were calculated as share formula proportions of the estimated statewide TE apportionments available for new programming. The estimated TE capacity was included in the calculation of the base, the target, and the maximum, so the TE targets did not represent additional capacity. They were provided for guidance only. As specified in

section 22 of the STIP guidelines, an RTIP may nominate, and the Commission may program, either more or less than the TE target in a county for TE projects.

Policies Specific to the 2008 STIP

Commission amendments to the STIP guidelines adopted in conjunction with the fund estimate identified the following policies and expectations with regard to the 2008 STIP:

- Prior programming. All projects programmed in the 2006 STIP, as amended through the September 20, 2007 Commission meeting (including the 2006 STIP Augmentation), are treated as prior programming and do not count against new programming targets. Caltrans and regional agencies may propose changes in currently programmed projects, including changes in program year and changes in programmed cost. The Commission will not change the program year of any project component now programmed for 2007-08 or earlier, except for Caltrans environmental, design, or right-of-way work where Caltrans indicates that work has not yet begun or has been suspended and it is proposed to delete the work from the STIP or to delay the beginning of work until 2009-10 or later. Where work is suspended, the amount of expenditure to date will remain as programmed.
- GARVEE bond debt service. All GARVEE bond debt service through 2011-12 has previously been treated as prior programming and deducted from county and interregional shares. For the 2008 STIP, the additional GARVEE debt service for 2012-13 through 2014-15 is deducted in the calculation of shares and targets for the period beginning 2012-13.
- GARVEE bonding and AB 3090 commitments. The Commission will not consider proposals for either GARVEE bonding or new AB 3090 commitments as part of the 2008 STIP. There is no federal funding available to the STIP for GARVEE bonding, and the Commission will consider any AB 3090 proposals as amendments to the STIP after the initial adoption.
- Limitations on planning, programming, and monitoring (PPM). The fund estimate includes a table of PPM limitations that identifies the 5% limit for each county for each share period. The amounts in the table include amounts already programmed for PPM through 2010-11. For the four-year share period ending 2011-12, the 2008 fund estimate is lower than the 2006 fund estimate. This reduces the PPM limit for all counties and will require a reduction in the amount programmed for PPM in some counties.
- Commission expectations and priorities. For the 2008 STIP, the Commission expects to give first priority to the reprogramming of projects from the 2006 STIP, as amended, and to new projects to meet county shares for the period ending 2011-12 (though the Commission may need to program the new projects for 2012-13). Because of the loss of revenues anticipated in the 2006 STIP fund estimate, many reprogrammed projects will need to be delayed to later years. Any cost increases or other new programming in early years will require more reprogramming to later years.

The selection of projects for additional programming will be consistent with the standards and criteria in section 61 of the STIP guidelines. In particular, the Commission intends to focus on RTIP proposals that meet State highway improvement needs as described in section 20 of the guidelines. As specified in section 20, the Department may nominate or recommend State highway improvement projects for inclusion in RTIPs and identify any additional State highway improvement needs within each region that could be programmed by 2015-16 (three years beyond the end of the STIP period).

STIP NOMINATIONS

The Commission may include in the STIP only projects that have been nominated by a regional agency in its regional transportation improvement program (RTIP) or by Caltrans in its interregional transportation improvement program (ITIP). For the 2008 STIP, those RTIPs and the ITIP were due to the Commission by February 19, 2008. Altogether, the Commission received about \$2.2 billion in STIP nominations against the \$1.146 billion in capacity. That means that the Commission may program only a little over half of the projects nominated. In all, however, about half the counties had nominations under target and about half were over target. Just four counties—Los Angeles, Orange, San Diego, and Ventura—accounted for 80 percent of the nominations over target.

The fund estimate targets were derived so that the sum of all targets equals the statewide capacity of \$1.164 billion. Some of the counties had small targets for the 2008 STIP—some even zero—because of high programming in past STIP cycles. The Commission has the latitude to program above target levels in some counties and below in others. However, any programming above target in one area must be balanced by programming under target elsewhere. Surpluses and deficits carry forward over time, so that a county that receives more in this cycle will be entitled to less in the future, and vice-versa.

The project listings on the spreadsheets with these recommendations include changes and corrections received since the preparation of the Commission Briefing Book for the STIP hearings. Among these are updates in Caltrans support costs, many of which were not included in RTIPs. The staff has also sought to adjust for inconsistent or missing data for projects jointly funded from county shares and the interregional program.

RECOMMENDED STIP ACTIONS

Staff recommends the adoption of the 2008 STIP to include the specific projects and schedules shown in the spreadsheets at the end of this document and as further described in the following narrative. These recommendations identify specific project components and costs for each year of the 2008 STIP, with separate groupings and programming totals for highway, transit, and Transportation Enhancement projects.

The table at page 1 of the spreadsheets identifies the total amounts recommended from each county and the interregional share for highways, rail/transit, and Transportation Enhancement (TE). The table breaks out the amounts recommended for each share by fiscal year and compares the total to the target for each county and the interregional program. It also compares the statewide total recommended by fiscal year to the statewide capacity by fiscal year.

The tables at pages 2, 3, and 4 break out the amounts recommended into the three categories related to funding sources: highways, transit, and TE. For TE, the table compares the amounts recommended to the TE targets for each county and interregional share and to the statewide TE capacity by fiscal year.

The project recommendations are based primarily on:

- project priorities and scheduling recommended by regional agencies in their regional transportation improvement programs (RTIPs) and by the Department in its interregional transportation improvement program (ITIP);
- the overall targets and the TE targets identified in the fund estimate for each county and for the interregional program;
- the statewide yearly program capacity identified in the fund estimate for flexible funding, for the Public Transportation Account and for federal Transportation Enhancement funding; and
- Commission policies as expressed in the STIP guidelines.

Project Recommendations

The staff recommendation identifies specific projects and project components to program about \$1.085 billion in net new capacity, including about \$5 million in capacity that staff finds will lapse by June 2008 for lack of project delivery. Commission staff is tracking the status of projects that may lapse and will provide a further report at the May 29 meeting. The staff recommendation excludes about \$1.1 billion in other project nominations (including \$93 million in STIP funding increases for CMIA and Route 99 Bond projects), and these are identified in the individual county and interregional program spreadsheets. In terms of dollars, most of the projects excluded are from the four counties with the RTIPs that accounted for most of the nominations over target—Los Angeles (Tier 2 proposals), Orange, Ventura, and San Diego.

The staff recommendation would program 24 county shares at or above their target and 35 under target. The area of the Metropolitan Transportation Commission includes the

county most over target (Santa Clara) and the two counties most under target (Alameda and Contra Costa). Altogether, the nine MTC counties are \$13 million below target, not counting any of the \$30 million in MTC-area STIP increases for CMIA projects that are pending the review of CMIA and Route 99 Bond proposals. Counties recommended for programming over target to fund key State highway projects include Del Norte, El Dorado, Kings, San Benito, and Ventura. The counties most under target include counties for which we are recommending all nominated projects, counties that nominated additional projects so large that we could not recommend them within capacity constraints, and counties that were proposing to use STIP funding for local road rehabilitation while pending state highway needs will place demands on the same STIP capacity.

In developing our recommendations, we tracked capacity for the Public Transportation Account and TE funding separately. The need to program at least \$500 million for rail and transit projects in the last two years was a controlling factor, though it resulted in little difference from the pattern for highway recommendations. A more important factor was that PTA capacity for 2008-09 is zero, and—after excluding transit projects that would place a county far over target—our 5-year PTA capacity was nearly equal to the sum of candidate rail and transit projects. That meant that we had to match rail and transit projects to PTA capacity, and we could not recommend any rail or transit projects for 2008-09. We developed the TE recommendation separately, consistent with fund estimate TE capacity, yet a remarkably similar pattern held there as well.

Generally, we recommend that highway projects that were programmed in the 2006 STIP for 2008-09 and that Caltrans and regions proposed to retain in 2008-09 be reprogrammed for that year, including cost increases. Beyond 2008-09, our recommendation gives priority to retain CMIA and Route 99 Bond Program projects in the years in which they were programmed. For most other projects carried forward from the 2006 STIP, our recommendation would delay funding by at least one year. We generally recommend programming new projects and added project components in the two outer years, 2011-12 and 2012-13, with most in the latter year.

This recommended scheduling reflects the limits of capacity. We were able to hold prior projects in 2008-09 only because the RTIPs and ITIP had already proposed delays for a large proportion of these projects. Altogether, the fund estimate demanded that we delay about \$1 billion from the first two years combined and about \$820 million from the first three years. Giving priority to holding schedules for CMIA and Route 99 Bond projects required that the burden of delay fall on the remaining projects. It also meant that there was no capacity to add new projects or new project components within the first three years, other than by further delay to projects from the prior STIP.

Major new project funding recommended for the 2008 STIP includes:

- North State
 - Del Norte, widen and realign Patrick Creek Narrows, \$18 million.
- Sacramento Valley
 - El Dorado, complete funding of Route 50 Missouri Flat Rd interchange, \$27 million.
 - Sacramento, Route 5 Consumnes River Blvd interchange, \$10.5 million.
 - Sacramento, Watt Avenue improvements, Kiefer Blvd-Fair Oaks Blvd, \$10 million.

- San Francisco Bay Area
 - San Francisco, Doyle Drive replacement, \$54 million.
 - San Francisco, Golden Gate Bridge median barrier, \$20 million.
 - Marin, Route 101 San Antonio Road curve correction, \$68 million.
 - Contra Costa, intercity rail double-track, Oakley-Port Chicago, \$26 million.
 - Santa Clara, Airport people mover, \$50 million.
- San Joaquin Valley
 - Merced, Route 59 widening (through right-of-way), \$13 million.
 - Fresno, Route 180, Temperance-Academy, \$33 million.
 - Kings, Route 198 19th Avenue interchange construction, Lemoore, \$29 million.
 - Tulare, Route 216 widening to 4 lanes, Visalia, Lovers Lane-Road 152, \$11 million.
 - Kern, Westside Parkway, funding increased by \$31 million to \$183 million.
- Central Coast
 - San Benito, Route 156 expressway, San Juan Bautista, \$ 38 million.
 - San Luis Obispo, Route 101 Los Osos Valley Road interchange, \$14 million.
 - Santa Barbara, widen Route 101, Carpenteria Creek-Sycamore Creek, \$13 million.
- Southern California
 - Ventura, Route 118 widening, Tapo Canyon-LA County Line, \$32 million.
 - Los Angeles, Exposition light rail, increase funding by \$19 million to \$103 million.
 - Orange, Route 5/74 interchange, construction, \$25 million.
 - Orange, Route 91 auxiliary lane, Tustin-Route 55, \$91 million.
 - Orange, Sand Canyon SCRRA grade separation, Irvine, \$30 million.
 - San Bernardino, Route 58, 2-lane expressway near Kramer Junction, \$119 million.
 - San Bernardino, Route 215 Barton Avenue Road interchange, \$64 million.
 - Imperial, Route 8, modify Dogwood Avenue interchange, \$27 million.

Transportation Enhancement Projects

Under the STIP guidelines, Caltrans and the regions may nominate either specific TE projects or TE reserves from which specific projects will be identified and receive allocations later. The Commission’s practice in programming has been to give priority to projects over reserves.

The staff recommendation includes all of the projects and reserves nominated by Caltrans and the regions. It generally limits new projects and reserves, however, to the two outer years of the STIP.

In scheduling TE projects, the staff recommendation generally follows these priorities:

1. Projects carried forward from the prior STIP.
2. New projects funded from reserves identified in the prior STIP.
3. TE reserves carried forward from the prior STIP.
4. New projects not funded from reserves identified in the prior STIP.
5. New TE reserves.

The staff recommendation generally retains the requested program year for each of the first three categories. However, it delays some prior Caltrans interregional TE projects now programmed for 2009-10 and 2010-11 by one year to compensate for increased preconstruction costs and to stay within TE capacity. It generally schedules new projects and reserves for the two outer years in accordance with the TE targets in the fund estimate, even where Caltrans or a region had requested programming earlier.

In order to bring TE programming into balance with statewide capacity, the staff recommendation further adjusted TE reserve balances to about shift \$5.17 million (16.8%) from 2009-10 to 2010-11 and \$0.96 million (3.2%) from 2011-12 to 2012-13.

Compliance with Statutory Mandates, Interregional Program

The 25% interregional program is not constrained by county shares. By law, however, the program must comply with the following constraints, applied to the net new programming for each STIP:

- 60% of the program shall be programmed for improvements to State highways that are specified in statute as part of the interregional road system and are outside urbanized areas with over 50,000 population and for intercity rail improvements.
 - Of this amount, at least 15% (9% of the interregional program) shall be programmed for intercity rail improvements, including grade separation projects.
- 40% of the program may be programmed to transportation improvement projects to facilitate interregional movement of people and goods, including State highway, intercity passenger rail, mass transit guideway, or grade separation projects. These projects may be in either urbanized or nonurbanized areas.
 - Of this amount, 60% (24% of the program) must be in the 13 counties of the South.
 - Of this amount, 40% (16% of the program) must be in the North counties.

The statutory restrictions may be reduced to three simple constraints:

- At least 9% of the program must be programmed for intercity rail and grade separation projects.
- No more than 24% of the program may be for projects in South urbanized areas or for other South area projects not part of the interregional road system (but excluding intercity rail and grade separation projects).
- No more than 16% of the program may be for projects in North urbanized areas or for other North area projects not part of the interregional road system (but excluding intercity rail and grade separation projects).

The following table summarizes the ITIP projects included in the staff recommendation according to these categories (including interregional TE):

INTERREGIONAL PROGRAM BY STATUTORY CATEGORY
(\$1,000's)

| | Amount | Percent | Test |
|---|------------------|---------------|-------------|
| Intercity rail and grade separations | \$ 36,959 | 13.1% | 9% minimum |
| North counties, urbanized, non-interregional roads | 39,493 | 14.0% | 16% maximum |
| South counties, urbanized, non-interregional roads | 29,221 | 10.4% | 24% maximum |
| Interregional roads, nonurbanized | 175,771 | 62.5% | |
| Total | \$281,444 | 100.0% | |

UNCERTAINTIES FOR FUTURE FUNDING ALLOCATIONS

The 2008 STIP staff recommendation is consistent with the adopted fund estimate, as required by statute. Funding conditions may change from the assumptions made in the fund estimate, however, and the Commission will need to continue to monitor those conditions to determine its ability to allocate funding to STIP projects. If available funding is less than the fund estimate assumed, the Commission may be forced to delay or restrict allocations using interim allocation plans. On the other hand, if available funding proves to be greater than the fund estimate assumed, it may be possible to allocate funding to some projects sooner than the year programmed.

As the Commission first described in its 2005 Annual Report to the California Legislature, the STIP no longer has any stable and reliable source of funding. Current revenues to the State Highway Account are no longer sufficient to support maintenance and operating costs for the State highway system and the safety and rehabilitation projects of the State Highway Operation and Protection Program (SHOPP). Except for Transportation Enhancement (TE) funds, which are restricted by federal law, no State Highway Account revenues remain for the STIP.

Except for the TE program, the STIP is now entirely dependent on revenues made available through year-to-year actions taken in the state budget process. These STIP revenues include annual transfers to the Transportation Investment Fund (TIF), which remain subject to suspension under Proposition 42 (notwithstanding the repayment provisions of Proposition 1A), annual appropriations of bond proceeds under Proposition 1B, and annual transfers to the Public Transportation Account (PTA). PTA transfers include both spillover transfers from the Retail Sales and Use Tax Fund and Proposition 42 transfers from the TIF.

DRAFT

CALIFORNIA TRANSPORTATION COMMISSION Adoption of 2008 State Transportation Improvement Program

Resolution No. G-08-08

- 1.1 WHEREAS Government Code Section 14529 requires the California Transportation Commission biennially to adopt and submit to the Legislature and Governor a state transportation improvement program (STIP), and
- 1.2 WHEREAS, pursuant to Section 14529, the 2008 STIP is a five-year STIP, adding two new program years, 2011-12, and 2012-13, and
- 1.3 WHEREAS, pursuant to Section 14525, the Commission adopted the 2008 STIP fund estimate on October 24, 2007, and
- 1.4 WHEREAS, pursuant to Section 14530.1, the Commission adopted amendments to the STIP guidelines, to be applicable to the 2008 STIP development process, on October 24, 2007, and
- 1.5 WHEREAS the 2008 STIP fund estimate provided \$1.164 billion in new STIP programming capacity, and
- 1.6 WHEREAS the \$1.164 billion in new capacity includes \$144 million that is restricted to projects eligible for funding from federal Transportation Enhancement (TE) funds, and
- 1.7 WHEREAS the fund estimate included Public Transportation Account funding, which is restricted to rail and transit projects, at a level that is \$14 million less than the amount required to fund all rail and transit projects that were programmed in the 2006 STIP, as amended, and
- 1.8 WHEREAS the statutes define the STIP as a resource management document to assist the state and local entities to plan and implement transportation improvements and to utilize resources in a cost effective manner, and
- 1.9 WHEREAS the statutes make 75% of all new STIP funds available for the regional improvement program, subdivided by formula into county shares, with projects to be nominated by each regional agency in its regional transportation improvement program (RTIP), and
- 1.10 WHEREAS the statutes make the remaining 25% of all new STIP funds available for the interregional improvement program, with projects to be nominated by the Department of Transportation (Caltrans) in its interregional transportation improvement program (ITIP) or, under limited circumstances, by a regional agency in its RTIP, and
- 1.11 WHEREAS the Commission has received and reviewed the 2008 RTIPs and the 2008 ITIP submitted on or about February 19, 2008, as well as various amendments and corrections submitted subsequently, and

- 1.12 WHEREAS the Commission has received requests for changes to the STIP funding of projects also funded from the Corridor Mobility Improvement Account (CMIA) and the Route 99 Bond program, including requests that would increase STIP funding by \$93 million, and
- 1.13 WHEREAS the Commission has had insufficient time for review of amendments to the project baseline agreements for the CMIA and Route 99 Bond projects, and
- 1.14 WHEREAS, pursuant to Section 14529, the Commission held two public hearings, one in Los Angeles on March 12, 2008, and the other in Sacramento on March 18, 2008, for the purpose of reconciling any objections by any county or regional agency to the ITIP or the Department's objections to any RTIP, and has considered the testimony heard at those hearings along with further written and oral comments, and
- 1.15 WHEREAS the total amount programmed in each fiscal year may not exceed the amount specified in the adopted fund estimate, and
- 1.16 WHEREAS the Commission staff recommendations for the 2008 STIP were published and made available to the Commission, the Department, regional transportation agencies, and county transportation commissions on May 9, 2008, and
- 1.17 WHEREAS the staff recommendations conform to the fund estimate and other requirements of statute for the STIP, and
- 1.18 WHEREAS the staff recommendations include rail and transit projects at a level that does not exceed the fund estimate capacity for the Public Transportation Account, and
- 1.19 WHEREAS the Route 210 freeway in San Bernardino County between the Los Angeles County Line and Route 215 (PPNO 193S) was programmed in the STIP for \$98 million for right-of-way and was constructed with local funds, and the Commission has not been able to close out the project for STIP share purposes because the Department has not yet reported a final estimate of right-of-way costs for the project,
- 2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission hereby adopts the 2008 State Transportation Improvement Program (STIP) to include the program described in the staff recommendations, including the attachment to this resolution, and
- 2.2 BE IT FURTHER RESOLVED that, except as otherwise noted in the staff recommendations or this resolution, the 2008 STIP includes all projects remaining from the 2006 STIP, as currently amended, for which funding has not yet been allocated, and
- 2.3 BE IT FURTHER RESOLVED that each of the local road and transit rehabilitation projects included in the staff recommendations or remaining from the prior STIP is included in the 2008 STIP, subject to verification by the Department at the time of allocation by the Commission that the project meets the standard for rehabilitation and does not include ineligible maintenance costs, and
- 2.4 BE IT FURTHER RESOLVED that each of the projects identified in the staff recommendations as eligible for Transportation Enhancement (TE) funding is included in the 2008 STIP subject to verification by the Department and the Federal Highway Administration that the project is indeed eligible for TE funding, and
- 2.5 BE IT FURTHER RESOLVED that the Commission intends that all STIP projects that are eligible or could be made eligible for Transportation Enhancement (TE) funds shall be funded from the state's Federal TE apportionment, whether or not they are identified in the staff recommendations as TE-eligible and whether or not they are designated for programming from TE funding, and

- 2.6 BE IT FURTHER RESOLVED that the Commission intends that all STIP rail and transit projects, including grade separations on passenger rail lines, be funded from the Public Transportation Account or, if eligible, from the state's Federal TE apportionment, and
- 2.7 BE IT FURTHER RESOLVED that the Commission intends that State Highway Account funds, including federal funds other than federal TE funds, be reserved for the State Highway Operation and Protection Program (SHOPP) and not be used for the STIP during the 2008 STIP period, except for the payment of outstanding GARVEE bond debt service, and
- 2.8 BE IT FURTHER RESOLVED that, while the Commission is deleting all programming for the Route 120 Oakdale Bypass in the 2008 STIP, as proposed in the ITIP, the Commission supports the Department's commitment to the development and delivery of the North County Corridor (NCC) project identified by the Stanislaus Council of Governments (StanCOG) as an alternative to the Route 120 Oakdale Bypass, and the Commission acknowledges the Department's intent to nominate up to \$91 million in the 2010 ITIP for programming of an ITIP-eligible project segment, and
- 2.9 BE IT FURTHER RESOLVED that the Commission recognizes StanCOG's commitment to the NCC project through the programming of the environmental component of the project in the 2008 STIP, and the Commission expects the Department and StanCOG to identify an appropriate scope, cost, and schedule for programming of a project segment in the 2010 STIP, and
- 2.10 BE IT FURTHER RESOLVED that the Commission expects the Department, in consultation with the San Bernardino Associated Governments (SANBAG) to report its final estimate of right-of-way costs for the Route 210 freeway well in advance of the fund estimate for the 2010 STIP, so that any impact of these costs on the San Bernardino county share can be taken into account beginning with the 2010 STIP, and
- 2.11 BE IT FURTHER RESOLVED that, as recommended by staff, the Commission is leaving \$93 million in STIP capacity as an unprogrammed reserve pending the review and approval of amendments to the project baseline agreements for CMIA and Route 99 Bond projects and that the Commission intends to act on the STIP requests for those projects at the June 25-26, 2008 meeting, and
- 2.12 BE IT FURTHER RESOLVED that Commission staff, in consultation with the Department and regional agencies, is authorized to make further technical changes in cost, schedules, and descriptions for projects in the 2008 STIP, consistent with the fund estimate, in order to reflect the most current information (including the lapse of projects at the close of the 2007-08 fiscal year) or to clarify the Commission's programming commitments, with report of any substantive changes back to the Commission for notice at the June 25-26, 2008 meeting and formal approval at the July 23-24, 2008 meeting.

ATTACHMENT
2008 STIP STAFF RECOMMENDATIONS
LATE CHANGES AND CLARIFICATIONS
(All costs listed in \$1,000's)

- Los Angeles. For the Route 5 Carmenita Road interchange (#2808A), change \$44,231 (\$35,531 construction and \$8,700 construction support) from 2008-09 to 2009-10.
- Trinity. For the Lowden Park-Senior Center bike and pedestrian lane (#2487), change \$130 environmental from 2010-11 to 2008-09, \$40 R/W from 2012-13 to 2009-10, and \$770 construction from 2012-13 to 2010-11. This TE project is to be constructed in conjunction with the East Weaverville road project (#2138).
- Intercity Rail.
- Interregional Program (Highways).
- Interregional Program (TE). For the Aesthetic Enhancements along Route 5 in Los Angeles County, change \$3,385 (\$3,195 construction and \$190 construction support) from 2008-09 to 2009-10.