State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 13, 2010

Reference No.: 4.5
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Proposition 1B

Subject: **PROPOSITION 1B BOND ALLOCATION PRIORITIES**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the allocation priorities listed below for available bond funding.

ISSUE:

On November 4, 2009, the State Treasurer's Office sold $2.2 billion worth of bonds. From that sale, the Department received $716 million. There are more than 70 roadway projects and 150 transit projects with a bond value of approximately $950 million that have been delivered but the agencies can not proceed due to a lack of bond funds. The Department is recommending that the $716 million currently available be applied as follows:

$429,000,000	Funding for current construction projects through March 2011
$ 21,000,000	Right of Way capital needs for 2010-11 fiscal year
$ 30,000,000	Capital Outlay Support needs for the 2010-11 fiscal year
$ 15,000,000	Local Bridge Seismic lump sum allocation for the 2010-11 fiscal year
$ 50,000,000	Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) (Transit)
$171,000,000	New starts cash flow needs through March 2011
$716,000,000	

The attached list shows the projects on the Delivered But Not Yet Allocated List (Delivered List) that are recommended for allocation at the Commission's January 2010 meeting. The projects are listed in date order based on when the projects were delivered and ready for advertising. The available funding is sufficient to allocate to all bond projects delivered prior to December 2009 based on expected cash flow needs through March 2011. The Los Molinos project in Tehama County was delivered December 16, 2009, but is recommended for funding as it has $85,000 in regional Recovery Act Transportation Enhancement funds associated with it that must be encumbered by March 2010 or the funds will be lost to the region. The San Diego North Coast Corridor Project (Carroll Canyon) was delivered in June 2009 but will now be funded with Recovery Act savings and was removed from consideration.

BACKGROUND:

Since early in 2009, the availability of bond funds has been sporadic and unpredictable. The State's budget situation has made it difficult to sell bonds in the market. In addition, there is competition for bond funds from other bond-funded infrastructure programs.

In January 2009, there were 98 bond funded projects under construction. Those projects had approximately $1.843 billion programmed in Proposition 1B bonds. As of November 1, 2009, $1.510 billion has been funded through bond sales and $333 million is still needed to complete the funding commitment. In March and April 2009, the State Treasurer's Office conducted bond sales that allowed the Commission to allocate another $1.475 billion of bond funds to an additional 98 projects for construction new starts. As of November 1, 2009, $280.8 million has been funded through bond sales and $1.195 billion is still needed to complete the funding commitment for this group of projects. The total bond funds still needed to complete the funding for all of the projects already under construction is approximately $1.528 billion.

The Department has been working with the State Treasurer's Office and the Department of Finance to determine when the next bond sale will occur and how much of the proceeds the Department could expect to receive. Neither agency is able to commit to a time frame for the next bond sale.

The Department's first priority is to ensure that the projects under construction do not run short of funds. Given the uncertainty of the next bond sale, the Department believes it is prudent to have a cash reserve that will provide sufficient funds through March 2011 for ongoing construction contracts. In the event that bonds are not sold by December 2010, there will be enough funds in reserve to suspend the contracts until additional funds are made available. While the Department does not believe this is a likely scenario, it is the best contingency plan if additional funds are not made available by December 2010.

The next priorities are for right of way, local bridge seismic retrofit and capital outlay support needs for Fiscal Year 2010-11.

The last group of priorities is new construction projects. With almost $1 billion in total needs at this time, it is not prudent to start all new projects currently on the Delivered List without assurance that the funding can be maintained.

The Department is recommending an allocation for projects to a level that can be cash flowed through March 2011. If additional bonds are not sold by December 2010, there will be enough in reserve to begin the process of suspending these contracts. The Department will also make $50 million available for the transit projects that have been approved for funding from PTMISEA.

The Department will request additional allocations when future bond proceeds are made available for transportation projects.

PROP 1B
November 2009 Bond Sales

PROJECTS DELIVERED BUT NOT FUNDED

Delivery Date	DL* Project Number	Bond Program	CT Dist	EA	Project Title	Const Capital Bond Portion ($ X 1,000)	Const Grants Bond Portion ($ X 1,000)	Support Bond Costs ($ X $1,000)	Total Project Const Costs ($ X 1,000)	Comments
					RECOMMENDED FOR FUNDING					
13-Mar-09	69	SHOPP	05	0N250	Install Vehicle Detection Stations	$ 613		$ 322	$ 2,559	
May-09	96	SLPP	04	R898GJ	Warm Springs Extension **CYCLE 1** (Alignment will extend 5.4 miles southward from its current terminus in downtown Fremont.)		$ 31,275		$ 890,000	
May-09	95	SLPP	04	T231GA	Santa Rosa City Bus Hybrid Bus Acquisition (Rolling stock purchase of four new 40-foot hybrid electric urban mass transit buses.)		$ 1,200		$ 2,400	
3-Jun-09	68	SHOPP	05	0N260	Install Solar Powered Vehicle Detection Stations (Route 1 in Monterey County near Monterey from Carmel River Bridge to Santa Cruz County line.)	$ 2,902		$ 658	$ 4,921	
Jun-09	85	HRCSA	06	4C244	BNSF Grade Separation at 7th Standard Rd/Santa Fe Way		$ 9,926		$ 27,853	
Jun-09	93	SLPP	03	0L2144	Waterman Road/Grant Line Road (In Elk Grove, reconstruct intersection and install new traffic signals.)		$ 1,000		$ 7,635	
Jun-09	94	SLPP	03	0L2134	Franklin Boulevard/Elk Grove Boulevard (In Elk Grove, reconstruct intersection.)		$ 988		$ 4,015	
Jun-09	65	SR99	03	1A432	Sutter 99 Segment 2 (Feather River Bridge replacement and widening.)	$ 58,140		$ 7,000	$ 88,726	
Jun-09	117	STIP	04	R893SA	Platforms and mainline track work near the Diridon Station in San Jose		$ 20,600		$ 20,600	
Jun-09	81	TLSP	07	4U4344L	ATSAC - Reseda - Phase 2		$ 7,221		$ 7,868	
29-Jun-09	71	SHOPP	11	28930	In San Diego County, at various locations from Birmingham Drive to Vandegrift Boulevard. Install ramp metering.	$ 4,020		$ 700	$ 8,350	
Jul-09	84	TLSP	12	402814L	Countywide TLSP (Partial - 2nd Allocation)		$ 1,450		$ 8,000	
Jul-09	72	TLSP	03	0L2124	ITS Expansion - Phase II		$ 2,862		$ 4,072	
Jul-09	73	TLSP	04	925575L	Bollinger Canyon		$ 475		$ 739	
Aug-09	92	SLPP	03	0L2224	Tahoe City Transit Center (Just west of Route 89 and approx 0.5 miles south of the Route 89/Route 28 "wye" intersection. Construct transit center, including public parking, seating and bicycle/pedestrian access paths.)		$ 226		$ 7,342	
Aug-09	106	SLPP	10	4A3254	Mission Boulevard Gap Closure (Between Clinton Road at Route 49 and the existing Mission Boulevard at Route 88. Construct 1,500 feet of new roadway.)		$ 800		$ 1,955	
Aug-09	78	TLSP	07	4U4174L	Citywide TLSP		$ 440		$ 550	
Aug-09	79	TLSP	07	4U4264L	City of Glendale - Glendale Avenue/Verdugo Road		$ 1,798		$ 4,905	
Aug-09	80	TLSP	07	4U4284L	Colorado Street/ San Fernando Road		$ 613		$ 910	
Aug-09	74	TLSP	04	925574L	Crow Canyon		$ 310		$ 435	
10-Aug-09	70	SHOPP	08	49750	Widen Exit Ramps and Add Auxiliary Lanes (In Fontana at Cherry, Citrus, and Cedar Avenue Interchanges.)	$ 2,329			$ 9,060	

*DL = Delivered But Not Yet Allocated List (Reference No. 4.6)

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Aug-09	61	CMIA/STIP	08	49750	Widen exit ramps, aux lanes: Cherry, Citrus and Cedar		$ 20,848		$ 48,256	
Sep-09	62	CMIA	08	0F150	I-10 Westbound Mixed flow lane addition		$ 26,500		$ 43,186	
Sep-09	59	CMIA, STIP	03	2A690	Route 49 La Barr Meadows Widening	$ 16,500		$ 3,500	$ 40,500	
Sep-09	88	SLPP	03	0L2154	Point Vew Drive Extension (In Placerville, at the Route 50/Point View Drive Interchange, which will connect to Jaquier Road, and at the Jaquier Road/Smith Flat Road intersection. Improve undercrossing, widen ramps and construct new intersection.)		$ 750		$ 3,160	
Sep-09	103	SLPP	06	4C2914	In Madera Ranchos. Construct a sidewalk on both sides of Avenue 12 between Road 36 and Road 37 in Madera County.		$ 150		$ 320	
Sep-09	102	SLPP	06	4C2834	In the city of Hanford. Greenfield Avenue Extension between Della Street and 12th Avenue. (This project will include installation of curb, gutter, sidewalk, street lights and extension of water, sanitary sewer and storm drainage infrastructure.)		$ 250		$ 895	
Sep-09	101	SLPP	06	4C2874	In the city of Hanford. 12th Avenue Widening/Reconstruction between Grangeville Boulevard to 800 feet south of Liberty Street. (This project will include widening of roadway from 2 to 4 travel lanes and installation of curb, sidewalk, landscaped medians, street lighting.)		$ 600		$ 2,720	
Sep-09	76	TLSP	04	925545L	San Jose (Partial - 2nd Allocation) (1st Allocation part of the exempt 98)		$ 5,723		$ 20,000	
Oct-09	56	CMIA	04	1A980	US 101 Improvements (I-280 to Yerba Buena Road.)	$ 23,310		$ 6,690	$ 62,975	
Oct-09	87	Intercity Rail	11	R986BA	San Onofre to Pulgas Double Track (partial allocation, PAED only)		$ 3,146		$ 30,000	Project shows 12/09 on delivered list but was ready when submitted in October
Oct-09	97	SLPP	04	R898GK	Warm Springs Extension **CYCLE 2** (In Alameda County, a 5.4 mile extension south of the existing Fremont Station, improve the regional transit network by bringing BART further into Southern Alameda Count. First segment of the BART Extension to San Jose.)		$ 23,158		$ 23,158	
Oct-09	98	SLPP	05	930249L	Willow Road Extension in San Luis Obispo		$ 1,000		$ 2,000	Project includes ARRA funds
Oct-09	66	SR99	06	44261	Island Park 6-Lane	$ 21,000		$ 3,500	$ 26,950	
Oct-09	75	TLSP	04	074714L	Smart Corridor Projects - San Mateo (Partial Allocation)		$ 1,000		$ 20,365	
9-Nov-09	55	CMIA	02	37100	Cottonwood Hills Truck Climbing Lanes	$ 20,802		$ 2,100	$ 27,443	
Nov-09	--	HRCSA	03	H004BA	6th Street Overcrossing (City of Sacramento Railyard)		$ 5,987		$ 16,824	Allocated in December
Nov-09	--	TCIF	03		Sacramento Intermodal Track Relocation		$ 25,260		$ 56,844	Allocated in December
16-Dec-09	63	SR99	02	4C580	Los Molinos	$ 1,784		$ 685	$ 6,400	
					Total	**$ 151,400**	**$ 195,556**	**$ 25,155**	**$ 1,534,891**	
					Total Bond Request	**$ 372,111**		*		

*** $372,818 is total bond need; $171,000 provides cash through March 2011**

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					Recommended for Deferral					
Dec-09	90	SLPP	03	0L2244	Silva Valley Parkway Widening		$ 993		$ 993	
Dec-09	91	SLPP	03	0L2254	White Rock Road Widening and Signalization		$ 500		$ 1,000	
Dec-09	64	SR99	03	3E390	Calvine Rd to Mack Rd Auxiliary Lanes on SR 99	$ 6,110		$ 750	$ 8,250	
Dec-09	99	SLPP	05	4A2664	Union Valley Parkway/Bradley Intersection Imps		$ 550		$ 1,100	
Dec-09	77	TLSP	06	4C2954	Clovis Avenue		$ 2,100		$ 3,087	
Dec-09	104	SLPP	07	2T44GA	LA/San Fernando Valley Transit Extension		$ 14,700		$ 22,521	LONP Request pending
Dec-09	89	SLPP	03	0L2234	Durrock Road/Business Drive Intersection Imps		$ 710		$ 1,440	LONP Request pending
Dec-09	82	TLSP	07	4U4404L	Harbor - Gateway 2		$ 7,899		$ 8,891	
Dec-09	83	TLSP	08	0G0424L	City of Temecula - Citywide Traffic Signal Synchronization		$ 515		$ 550	
Dec-09	86	HRCSA	10	H003B	G Street Undercrossing		$ 9,000		$ 18,000	
Dec-09	108	SLPP	11	213044	South Santa Fe Avenue Imps		$ 1,000		$ 1,000	LONP Request pending
Dec-09	109	SLPP	11	R245GA	Procure 57 new Light Rail Vehicles		$ 31,097		$ 31,097	
Jan-10	--	CMIA	12	07163x	Route 22/405/605 HOV Connector with ITS		$ 183,000		$ 212,700	
Jan-10	58	CMIA	12	0F0311	Widen NB, north of Route 91 to north of Yorba Linda	$ 50,445		$ 9,180	$ 142,908	
Jan-10	60	CMIA	05	33072	Route 46 Corridor Improvements (Whitley 1)	$ 61,379		$ 7,000	$ 94,000	
Jan-10	100	SLPP	06	4C2944L	11th Avenue widening/reconstruction between Hume Ave and Houston Ave		$ 500		$ 1,320	
Jan-10	107	SLPP	10	4A3304	City of Merced Parsons Avenue arterial project		$ 1,000		$ 1,775	
Jan-10	110	SLPP	12	402824L	SR-90 Imperial Highway Smart Street Project		$ 200		$ 1,900	
ARRA	57	CMIA	11	2T040	I-5/805 North Coast Corridor - Stage 1A	$ 52,500		$ 5,000	$ 102,000	Will be funded with ARRA savings from SR 76
					Total	**$ 170,434**	**$ 253,764**	**$ 21,930**	**$ 654,532**	
					Total Bond Deferral	**$ 446,128**				

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