

Memorandum

To: CHAIR and COMMISSIONERS

Date: June 30 – July 1, 2010

From: BIMLA G. RHINEHART
Executive Director

File No: 4.13
Information

Ref: Proposition 1B State-Local Partnership Program – Competitive Projects not yet Delivered

SUMMARY:

Under the California Transportation Commission's Proposition 1B State-Local Partnership Program (SLPP) guidelines for 2008-09 and 2009-10, the first two years of a five-year program, projects were programmed for both the competitive (5 percent) and formula (95 percent) portions of the program. Twenty-six competitive projects were programmed in 2008-09 (\$9,614,000) and in 2009-10 (\$9,986,000).

The updated, 2009-10 guidelines spelled out, in section 12, the Commission's expectation that agencies would program only those projects that were ready to deliver, or request allocation, within the fiscal year programmed, and award a construction contract within 6 months, or no later than December of the following fiscal year. Unfortunately, five projects programmed in 2008-09 and 2009-10 competitive programs have not yet been delivered.

Two competitive projects programmed in 2008-09 have not yet been delivered. The Thornton Road project in the City of Stockton has been delayed due to lack of local funds. The City does not know with any certainty when funds will be available to fully fund the project. The SR 59/Cooper Avenue intersection project in the City of Merced has been delayed due to encroachment permit issues. The City originally asked for an allocation in August 2009, but the Department is holding the request because the encroachment permit has not yet been approved. These issues are still being worked out between the Department and the City of Merced, but the City hopes to have the allocation on the August agenda.

Three competitive projects programmed in 2009-10 have not yet been delivered. The City of Merced has requested allocation for the Yosemite Avenue project, but it came in too late to be included on the agenda for the June 30 – July 1, 2010 meeting, and should be on the agenda in August. Moreno Valley requested allocation for the Eucalyptus Street Improvements project, but the Department had a question and returned the request for clarification. Riverside County has not yet requested allocation for the Magnolia/Neece project, and the Department is following up with the county.

Projects programmed in the competitive portion of the SLPP were selected in part because they could go to construction at an earlier date. Selection of these projects meant that other eligible projects were not selected for funding from the limited SLPP funds available. If agencies cannot deliver these programmed projects within the fiscal year, staff recommends that either an extension be approved by

the Commission, or the funds be un-programmed and made available for the next competitive round of funding.

Staff will place an action item on the agenda for the August meeting to recommend un-programming of funds for any competitive project that cannot be delivered. The un-programmed funds will then be returned to the competitive program for re-programming in 2010-11.

BACKGROUND:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorized \$1 billion to be deposited in the State-Local Partnership Program Account to be available, upon appropriation by the Legislature, for allocation by the Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency.

In 2008, the Legislature enacted implementing legislation (AB 268) to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code. This defines the program, eligibility of applicants, projects and matching funds.