

Memorandum

To: CHAIR and COMMISSIONERS

Date: August 11-12, 2010

From: BIMLA G. RHINEHART
Executive Director

Reference No: 4.8
Action

Ref: Proposition 1B State-Local Partnership Program – Competitive Projects not yet Delivered
Resolution SLP1B-P-1011-02

ISSUE:

As discussed at the Commission's June 30, 2010 meeting, four projects programmed in the competitive portion of the State-Local Partnership Program (SLPP) have not yet been delivered.

Two of the projects are programmed in 2008-09. The City of Stockton's Thornton Road project has been delayed due to lack of local funds. Stockton is uncertain when the local funds will be available; therefore, the project is no longer fully funded. The City of Merced's SR 59/Cooper Avenue intersection project has been delayed due to environmental and encroachment permit issues. Merced originally asked for an allocation in August 2009, but the Department had not yet brought the 2005 environmental document to the Commission for approval. The Department is currently working on re-validating the environmental document and plans to bring it to the Commission by November.

In addition, two competitive projects programmed in 2009-10 have not yet been delivered. Moreno Valley requested allocation for the Eucalyptus Street Improvements project, but the Department returned the request for clarification and it has not yet appeared on the agenda. Riverside County has not yet requested allocation for the Magnolia/Neece project, and the Department is following up with the county to determine the cause of the delay.

RECOMMENDATION:

Commission staff recommends that the Commission:

- on the Stockton Thornton Road project -- de-program \$1 million in competitive funds and make those funds available for programming in the 2010-11 cycle;
- on the Merced SR 59/Cooper Avenue project -- direct the Department to revalidate the environmental document and place it on the agenda, along with the allocation request, no later than January 2011; and,
- require Moreno Valley and Riverside County to come forward for either extensions or allocation requests for their projects no later than January 2011.

If these projects cannot be delivered in a timely manner, the funds should be made available for the next competitive round of funding.

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.

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).

For the competitive portion of the SLPP, projects 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.

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.