

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 19-20, 2011

Reference No.: 2.5c.(6)  
Action Item

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Chief Financial Officer

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Subject: **FINANCIAL ALLOCATION AMENDMENT FOR STATE-ADMINISTERED  
STIP PROJECTS ON THE STATE HIGHWAY SYSTEM  
RESOLUTION FP-10-15, AMENDING RESOLUTION FP-09-40**

## **RECOMMENDATION:**

The California Department of Transportation recommends the California Transportation Commission (Commission) consider Resolution FP-09-40 to approve an exception to the Commission's policy on project savings, as described under Section 49 of the State Transportation Improvement Program (STIP) Guidelines.

## **BACKGROUND:**

At its May 2010 meeting, the Commission approved a \$13,833,000 allocation of Interregional Improvement Program (IIP) funds to the 60/215 East Junction project (PPNO 0116F) in Riverside County. The project is jointly funded with \$17.763 million of local construction funds. The bids are scheduled to open in January 2011. Given the current low bid environment, the project sponsor is expecting that the award amount will be lower than the engineer's estimate. Based upon Commission's policy on project savings, any award savings will have to be proportional between IIP and local funds. The Riverside County Transportation Commission (RCTC) is requesting an exception to this policy.

Due to the state budget crisis of 2003 when the state was unable to allocate funds, the Department and RCTC agreed to deprogram and redirect \$20.733 million of fair share cost IIP funds from three ready-to-go projects to be replaced with local funds. In turn, the Department agreed to reprogram an equal amount of IIP funds onto a fourth project in Riverside County to be delivered at a later date. The arrangement was documented within a Master Agreement between RCTC and the Department. During the 2008 STIP, the Department met its commitment outlined within the Master Agreement and programmed \$20.733 million in IIP funds to the 60/215 East Junction project. At the May 2010 Commission meeting, \$13.833 million of IIP funds were allocated to construction and the remainder of the \$20.733 million, \$6.9 million, were programmed to construction support.

The RCTC is requesting an exception to the Commission's policy of proportional cost sharing at award. Specifically, RCTC requests that the first \$13.833 million of expenditures be billed to the STIP and that all potential award savings be credited to the local funds. Should the Commission approve this request, the Department will consider the allocation to be a grant and there will be no G-12 funds available for the project.

In addition, this allocation amendment also corrects a typographic error for the amount of local funds of \$9,646,000 in the original allocation to \$17,763,000.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	Recipient	Location	EA PPNO	Budget Year	Amount by
RTPA/CTC	County	Project Description	Program/Year	Item #	Fund Type	Fund Type
Dist-Co-Rte	Postmile	Project Support Expenditures	Prgm'd Amount			
<b>2.5c.(6) State Administered STIP Projects on the State Highway System</b>					<b>Resolution FP-10-15 Amending Resolution FP-09-40</b>	
2	\$13,833,000	On Route 215, from north of the Eucalyptus Avenue interchange to south of the Box Springs Road interchange and on Route 60 from the 60/215 Junction to west of the Day Street undercrossing. Construct high occupancy vehicle connectors at the 60/215 East Junction.	449311 08-0116F IIP / 09-10 CONST ENG \$6,900,000 CONST \$13,833,000	2009-10 801-3008 TIF 2007-08 301-0890 FTF		\$1,586,000
Department of Transportation RCTC Riverside 08S-Riv-215 R38.3/R38.9		Final Project Development: N/A Final Right of Way: N/A				\$12,247,000
		(Contributions from other sources: <del>\$9,646,000</del> <b>\$17,763,000</b> )				
		<b>(All award savings will be credited to local funds. No G-12 capacity will be available to this project)</b>				
		<u>Outcome/Output:</u> Construct six retaining walls; widen five bridges, and a total of 2.8 miles of new HOV lanes.				