

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 23-24, 2011

Reference No.: 2.1c.(5c)
Action Item

From: NORMA ORTEGA
Chief Financial Officer

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Subject: **TRADE CORRIDORS IMPROVEMENT FUND-PROJECT BASELINE AMENDMENT
RESOLUTION TCIF-P-1011-19**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) amend the Trade Corridors Improvement Fund (TCIF) Project Baseline Agreement for Project 11, San Francisco Bay to Stockton Ship Channel Deepening project (PPNO TC11).

ISSUE:

The Port of Stockton (Port) proposes to amend the TCIF Project Baseline Agreement for TCIF Project 11, San Francisco Bay to Stockton Ship Channel Deepening Project, to update the project delivery schedule and funding plan.

BACKGROUND:

The San Francisco Bay to Stockton Ship Channel Deepening Project was programmed with \$17,500,000 of TCIF funds, under the TCIF Program of Projects, adopted by the Commission on April 10, 2008. A Project Baseline Agreement executed by the Department, the Commission, and the Port was approved on August 28, 2008 under Resolution TCIF-P-0809-01B.

This project will deepen the existing navigation channel from 35 feet to a depth of (up to) 45 feet between the San Francisco Bay and the Port of Stockton. Specifically, the navigation project would deepen the navigation channel from a depth of 35 feet up to 45 feet from Pinole Shoal to New York Slough, and from a depth of 35 feet up to 40 feet from New York Slough to the Port of Stockton. The existing navigation channel depths and widths are inadequate to allow for the efficient movement of both commercial and military deep-draft waterborne commerce. The channel depth of 35 feet prevents the use of more efficient vessels. Deepening the existing ship channel would allow more efficient goods movement from the Port's East and West Complex to State Route 4 and out to Interstate 5. A deepened channel would also remove approximately 2,100 commercial trucks from the San Francisco Bay to the Stockton transportation corridor for every bulk cargo ship calling at the Port of Stockton resulting in a significant reduction in truck trips from the coast.

Completion of the project's environmental phase has fallen behind by 13 months. The U.S. Army Corps of Engineers (Corps) is preparing the environmental impact report/statement. The Corps is project-funded by Congress each fiscal year; however, no federal allocation of funds was made for the project in Fiscal Year (FY) 2010. Therefore, project tasks planned for FY 2010 were delayed and pushed out to FY 2011. Prior to FY 2010, the project received federal funds annually without interruption. The Port is coordinating closely with all parties to ensure the project receives federal funds in FY 2011 to maintain the proposed project schedule.

The table below lists project milestones with the current approved and proposed delivery schedules:

Project Milestone	Current Approved	Proposed	Change (years-months)
Begin Environmental Phase	Mar-08	-	No Change
End Environmental Phase	Sep-11	Oct-12	1 yr 1 mo
Begin Design Phase	Mar-11	Nov-12	1yr 8 mo
End Design Phase	Mar-12	Feb-13	1 yr 1 mo
Begin Right of Way Phase	Mar-12	Feb-13	11 mo
End Right of Way Phase	Jun-12	May-13	11 mo
Begin Construction Phase	Jun-12	May-13	11 mo
End Construction Phase	Nov-14	Dec-15	1 yr 1 mo
Begin Closeout Phase	Nov-14	Dec-15	1 yr 1 mo
End Closeout Phase	Jun-15	Jul-16	1 yr 1 mo

The Port also requests to update the project funding plan. The Port is requesting that the Commission reprogram the total \$17,500,000 TCIF funds under FY 2011-12 to meet the updated beginning of construction date, May 01, 2013. Additionally, the Port will be reprogramming the project's federal match funds as shown in the following project funding plan, in order to meet the updated schedule.

(DOLLARS IN THOUSANDS)										
FUND SOURCE	TOTAL	Totals by Fiscal Year					Totals by Project Phase			
		Prior	10/11	11/12	12/13	13/14	PA&ED	PS&E	R/W	CONST
State Funds (TCIF)										
Current Approved	17,500			17,500	0					17,500
Change	0			(17,500)	17,500					0
Proposed	17,500			0	17,500					17,500
Federal Funds (U.S. Army Corps of Engineers)										
Current Approved	123,497	3,422	716	42,080	60,328	17,401	3,668	1,000	800	118,479
Change	0	0	(500)	(41,550)	(18,278)	60,328	0	0	0	0
Proposed	123,497	3,422	216	530	42,050	77,729	3,668	1,000	800	118,479
TOTAL										
Current Approved	141,447	3,422	716	59,580	60,328	17,400	3,668	1,000	800	135,979
Change	0	0	(500)	(59,050)	(778)	60,328	0	0	0	0
Proposed	141,447	3,422	216	530	59,550	77,729	3,668	1,000	800	135,979

RESOLUTION TCIF-P-1011-19

Be it Resolved, that the California Transportation Commission does hereby amend the Trade Corridors Improvement Fund baseline agreement for TCIF Project 11, San Francisco Bay to Stockton Ship Channel Deepening Project (PPNO TC11), in accordance with the changes described and illustrated above.