

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 29, 2014

Reference No.: 4.13
Action Item

From: STEVEN KECK
Acting Chief Financial Officer

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Division Chief
Transportation Programming

Subject: **STATE ROUTE 99 CORRIDOR BOND PROGRAM-PRUDENT RESERVE POLICY**
RESOLUTION R99-P-1314-04

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) reduce the State Route (SR) 99 Corridor Program Reserve from \$16,464,000 to \$10,853,000 to address unforeseen expenses for the ongoing Proposition 1B SR 99 Corridor Construction Program.

BACKGROUND:

At the March 2013 Commission meeting, following a detailed project-specific analysis of risks, the Department recommended and the Commission approved a reserve of \$25,000,000 for the SR 99 Corridor. At the June 2013 Commission meeting, the Department recommended keeping the SR 99 Corridor reserve at \$25,000,000. At the October 2013 Commission meeting, the Department recommended and the Commission approved reducing the SR 99 Corridor reserve to \$16,464,000 from SR 99 bond funds.

To date, four SR 99 Corridor contracts valued at about \$26 million have completed construction, while an additional 22 contracts valued at about \$710 million are under construction, and one contract valued at \$44 million has yet to be awarded.

The Department has reevaluated the SR 99 bond fund reserve and determined that the reserve can be reduced to \$10,853,000, which will provide sufficient capacity to allocate \$7,000,000 to the Cartmill Interchange project (PPNO 6410) in Tulare County at this month's Commission meeting. The total reserve is \$23,961,000 including other backup funding sources.

RESOLUTION R99-P-1314-04:

Be it Resolved, that the California Transportation Commission does hereby reduce the Proposition 1B State Route 99 Corridor Program Reserve from \$16,464,000 to \$10,853,000.