

Memorandum

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To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2013

Reference No.: 4.7
Action Item
REPLACEMENT ITEM

From: STEVEN KECK
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Transportation Programming

Subject: **STATE ROUTE 99 CORRIDOR BOND PROGRAM-PRUDENT RESERVE POLICY
RESOLUTION R99-P-1314-02**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) reduce the State Route (SR) 99 Corridor Program Reserve from \$25,000,000 to \$16,464,000 to address unforeseen expenses for the Proposition 1B ongoing SR 99 Corridor Construction Program.

BACKGROUND:

At the March 2013 Commission meeting, following a detailed project-specific analysis of risks, the Department recommended 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.

To date, four SR 99 Corridor contracts valued at about \$26 million have completed construction, while an additional 21 contracts valued at about \$705 million are under construction, and one contract valued at \$1.5 million has yet to be awarded.

As reported at the June 2013 Commission meeting, \$61 million dollars was available for a combination of program reserve and additional programming at that time. Since then, \$5,479,000 was de-allocated from the Atwater-Merced Expressway Phase 1A project. In addition, \$5,000,000 was allocated to the Elk Grove Boulevard Interchange Modification project, and \$1,500,000 was allocated to the Elkhorn Boulevard Interchange Improvement project, decreasing the total available to \$60,264,000.

The Department has reevaluated the project-specific risks and determined that the risk reserve can be reduced enough to allocate \$43,800,000 to the Pelandale Interchange Reconstruction project (PPNO 9460) at this month's Commission meeting. This will leave \$16,464,000 dollars for a program reserve. Of this, \$2,060,000 is in the Northern part of the State and \$14,404,000 is in the Southern part of the State.

RESOLUTION R99-P-1314-02:

Be it Resolved, that the California Transportation Commission does hereby reduce the Proposition 1B State Route 99 Corridor Program Reserve from \$25,000,000 to \$16,464,000.