

M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 17-18, 2016

Reference No.: 4.19
Action

From: SUSAN BRANSEN
Executive Director

Subject: **2016-17 STATE TRANSPORTATION IMPROVEMENT PROGRAM POLICY ON
ADVANCE PROJECT ALLOCATIONS**

ISSUE:

On May 18, 2016, the California Transportation Commission (Commission) adopted the \$1.9 billion 2016 State Transportation Improvement Program (STIP) which deleted \$754 million and delayed another \$755 million in projects. Based on updated STIP right-of-way needs following the adoption of the 2016 STIP, staff estimates that there is the capacity to advance a small percentage of previously delayed projects. There is no capacity to add new projects to the STIP. Should the Commission advance project allocations during fiscal year 2016-17 if sufficient capacity is available?

RECOMMENDATION:

Staff is developing the estimated amount available to advance project allocations and will present the estimate at the October Commission meeting. Staff recommends the Commission advance allocate to STIP projects during FY 2016-17 up to the estimated amount available on a first come, first served basis, to projects that meet the following criteria:

1. The project was programmed for construction in fiscal year 2016-17 in the 2014 STIP and was delayed in the 2016 STIP;
2. The project is Ready-to-List (all necessary permits and agreements have been executed and all contract documents are complete);
3. The project has a Right of Way certification 1 (all property has been acquired) or 2 (all property has been acquired and/or the implementing agency has the right to occupy or use the property); and
4. The Commission, as a Responsible Agency under the California Environmental Quality Act, has approved, or will be concurrently approving, the project for future consideration for funding.

Further, staff recommends that the approval of any award extension for projects that received an advance allocation be limited to only the most extraordinary situations.

BACKGROUND:

The 2016 STIP Fund Estimate, adopted by the Commission in August 2015, estimated no new programming capacity based on an assumed price-based excise tax rate for fiscal year 2016-17 of 14.1 cents per gallon, increasing to 18 cents prior to the end of the fund estimate period. In response to declining gasoline prices, staff, at the October 2015 Commission meeting, estimated that approximately \$154 million in STIP projects programmed for fiscal year 2015-16 could not be allocated. In December 2015, the Commission approved an allocation plan to limit fiscal year 2015-16 STIP allocations, and requested that Caltrans provide an amended 2016 STIP Fund Estimate.

Caltrans presented amended revenue assumptions at the Commission's January 2016 meeting. These assumptions projected that the price-based excise tax would drop further than originally anticipated on July 1, 2016. At that time, based on the revised assumptions, the Commission adopted an amended 2016 STIP Fund Estimate reflecting a price-based excise tax assumption of 10 cents effective July 1, 2016, increasing to 18 cents by the last year of the fund estimate.

Based on the amended 2016 Fund Estimate, the STIP was over programmed in the first three years of the STIP period (fiscal years 2016-17 through 2018-19) by \$1.5 billion, and there was no capacity to add new projects. As a result, project funding carried forward from the 2014 STIP for fiscal years 2016-17 through 2018-19 totaling \$754 million needed to be deleted and an additional \$755 million needed to be delayed to the last two years of the 2016 STIP period (fiscal years 2019-20 and 2020-21). In May 2016, the Commission adopted the 2016 STIP which deleted \$754 million and delayed another \$755 million in projects.

Attachment: Resolution

August 17, 2016

**CALIFORNIA TRANSPORTATION COMMISSION
2016-17 State Transportation Improvement Program Policy
on Advance Project Allocations
Resolution No. G-16-28**

- 1.1 WHEREAS the California Transportation Commission (Commission) adopted the amended 2016 State Transportation Improvement Program (STIP) Fund Estimate on January 21, 2016, and
- 1.2 WHEREAS, based on the fund estimate, \$754 million for projects programmed in the first three years of the STIP period (fiscal years 2016-17 through 2018-19) needed to be deleted, and an additional \$755 million for projects programmed in the first three years of the STIP period needed to be delayed to the last two years of the five-year STIP period (fiscal years 2019-20 and 2020-21), and
- 1.3 WHEREAS, on May 18, 2016, the Commission adopted the 2016 STIP which deleted \$754 million and delayed another \$755 million in projects, and
- 1.4 WHEREAS, based on updated STIP right-of-way needs following the adoption of the 2016 STIP, staff estimates that there is the capacity to advance a small percentage of previously delayed projects.
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission hereby adopts the below policy on advance project allocations during fiscal year 2016-17.

The Commission will advance allocate to STIP projects during FY 2016-17 up to the estimated amount available on a first come, first served basis, to projects that meet the following criteria:

1. The project was programmed for construction in fiscal year 2016-17 in the 2014 STIP and was delayed in the 2016 STIP;
2. The project is Ready-to-List (all necessary permits and agreements have been executed and all contract documents are complete);
3. The project has a Right of Way certification 1 (all property has been acquired) or 2 (all property has been acquired and/or the implementing agency has the right to occupy or use the property); and
4. The Commission, as a Responsible Agency under the California Environmental Quality Act, has approved, or will be concurrently approving, the project for future consideration for funding.