

**California  
Transportation  
Commission**



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**ANNUAL REPORT**

2001 Activity and  
Accomplishments



Volume II  
2001 Annual Report  
to the California Legislature  
Adopted December 13, 2001

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**CALIFORNIA TRANSPORTATION COMMISSION**

**2001 ANNUAL REPORT  
TO  
CALIFORNIA LEGISLATURE**

**Volume II**

**2001 Activity and Accomplishments**

**Adopted  
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**STATUTORY REQUIREMENT  
FOR  
ANNUAL REPORT TO THE LEGISLATURE**

(GOVERNMENT CODE)

CHAPTER 3. ANNUAL REPORT

**Commission's Annual Report**

*Amended: Statutes of 1984, Chapter 95 (SB 283)*

14535. The commission shall adopt and submit to the Legislature, by December 15 of each year, an annual report summarizing the commission's prior-year decisions in allocating transportation capital outlay appropriations, and identifying timely and relevant transportation issues facing the State of California.

**Contents of Annual Report**

*Amended: Statutes of 2001, Chapter 113 (AB 438)*

14536. (a) The annual report shall include an explanation and summary of major policies and decisions adopted by the commission during the previously completed state and federal fiscal year, with an explanation of any changes in policy associated with the performance of its duties and responsibilities over the past year.

(b) The annual report may also include a discussion of any significant upcoming transportation issues anticipated to be of concern to the public and the Legislature.

(c) The annual report submitted to the Legislature for the years 2001 to 2008, inclusive, shall include all of the following:

(1) A summary and discussion of loans and transfers authorized pursuant to Sections 14556.7 and 14556.8.

(2) A summary and discussion on the cash-flow and project delivery impact of those loans and transfers.

(3) A summary of any guidance provided to the department pursuant to Section 14556.7.



# **CALIFORNIA TRANSPORTATION COMMISSION**

## **2001 ANNUAL REPORT TO CALIFORNIA LEGISLATURE**

### **CONTENTS**

#### **VOLUME I – ISSUES FOR 2002**

- A. Transportation Finance – ACA 4
- B. 2002 State Transportation Improvement Program Outlook
- C. Traffic Congestion Relief Program – Outlook for 2002
- D. Transportation System Security
- E. Implementing “SCR 96” Global Gateways Program
- F. Federal Transportation Equity Act Legislation Reauthorization for 2003-2009
- G. Revisiting SB 45 State Transportation Improvement Program Reform
- H. Financing Storm Water Runoff
- I. Continued Efforts Toward Environmental Streamlining
- J. Aviation Issues – The State’s Role in Aviation
- K. Intercity Rail Issues

#### **VOLUME II – 2001 ACTIVITY AND ACCOMPLISHMENTS**

- A. Traffic Congestion Relief Program – 2001 Accomplishments
- B. 2002 State Transportation Improvement Program Guidelines and Fund Estimate
- C. 2001 Report on County and Interregional Share Balances
- D. State Highway Operation and Protection Program Issues
- E. FY 2000-01 Caltrans Delivery
- F. Local Program Delivery – Second Annual Report
- G. Rural Counties Report – Annual Report
- H. Innovative Financing: AB 1012 Loan Program, GARVEE Bonds, and TIFIA
- I. Rural Transit System Grant Program
- J. Seismic Safety Retrofit Program Annual Report/Status of Proposition 192
- K. Federal Transportation Enhancement Activities Program
- L. FY 2001-02 Environmental Enhancement and Mitigation Program
- M. Retrofit Soundwall Program
- N. Proposition 116 Programs Implementation
- O. FY 2001-02 Elderly and Disabled Persons Transit Program
- P. Aeronautics Issues



# VOLUME II

## 2001 ACTIVITY AND ACCOMPLISHMENTS

### Table of Contents

	<u>PAGE</u>
II-A. Traffic Congestion Relief Program – 2001 Accomplishments .....	1
II-B. 2002 State Transportation Improvement Program Guidelines and Fund Estimate .....	17
II-C. 2001 Report on County and Interregional Share Balances .....	27
II-D. State Highway Operation and Protection Program Issues.....	29
II-E. FY 2000-01 Caltrans Delivery.....	33
II-F. Local Program Delivery – Second Annual Report.....	39
II-G. Rural Counties Report – Annual Report .....	47
II-H. Innovative Financing: AB 1012 Loan Program, GARVEE Bonds, and TIFIA ....	53
II-I. Rural Transit System Grant Program .....	59
II-J. Seismic Safety Retrofit Program Annual Report/Status of Proposition 192.....	63
II-K. Federal Transportation Enhancement Activities Program .....	71
II-L. FY 2001-02 Environmental and Mitigation Program .....	79
II-M. Retrofit Soundwall Program.....	83
II-N. Proposition 116 Programs Implementation .....	87
II-O. FY 2001-02 Elderly and Disabled Persons Transit Program.....	93
II-P. Aeronautics Issues .....	99





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### A. Traffic Congestion Relief Program – 2001 Accomplishments

AB 2928 (Torlakson, Chapter 91, Statutes of 2000) and clean-up legislation SB 1662 (Burton, Chapter 656, Statutes of 2000) enacted the Traffic Congestion Relief (TCR) Program and provided approximately \$6.8 billion in new funding for transportation. The funding included \$1.5 billion in direct general funds from the Fiscal Year (FY) 2000-01 budget surplus, plus about \$5.3 billion over six years from transferring all remaining state sales taxes on gasoline and diesel fuel from the General Fund to transportation, thus bringing substantial funding to transportation without increasing gas taxes, truck weight fees, or the State’s bonded indebtedness.

The identified \$6.8 billion is being funneled from the General Fund to the Transportation Investment Fund (TIF), where \$4.9 billion is being distributed to the TCR Fund for 141 specified projects and an additional \$0.4 billion to the repair of local streets and roads for FY 2000-01. The remaining \$1.5 billion in revenues from the TIF are to be used to fund the “40-40-20” program: 40% to augment the State Transportation Improvement Program (STIP); 40% to cities and counties for continued maintenance and rehabilitation; and 20% to the Public Transportation Account (PTA).

The FY 2001-02 State Budget Act modifies the revenue stream going into the TIF to free up \$2.5 billion for General Fund expenditures over the FY 2001-02 and FY 2002-03 budget years. The modifications include: postponing the transfer of \$2.3 billion in General Fund revenues from transportation purposes (\$1.1 billion in FY 2001-02 and \$1.2 billion in FY 2002-03); providing a \$238 million loan to the General Fund from the TCR Fund to be repaid beginning in FY 2004-05; and extending the TCR Program for two years until FY 2007-08.

<b>Traffic Congestion Relief Program Funding Level</b>		
<i>(In Millions)</i>		
<b>Fiscal Year</b>	<b>Original Funding Level</b>	<b>Revised Funding Level</b>
2000-01	\$1,600	\$1,600
2001-02	678	(678)
2002-03	678	(678)
2003-04	678	678
2004-05	678	678
2005-06	678	678
2006-07		678
2007-08		602
<b>Total</b>	<b>\$4,990</b>	<b>\$4,914</b>
<b>Net Change</b>		<b>- 76</b>

The \$76 million reduction in the TCR Program transfer is the amount by which the total transfers in current law exceed the total funds allocated to the TCR Program.

**Project Approvals:** AB 2928 (Torlakson, 2000) requires an applicant to prepare and submit to the California Transportation Commission (Commission), an application for each specified project by

July 6, 2002. As of December 31, 2001 the Commission approved applications, in full or in part, for 131 (or 93%) of the 141 projects specified in legislation for a total dollar amount of \$2.37 billion. At year's end, all the recipient agencies have indicated that they will be submitting their remaining applications to the Commission for approval prior to the July 6, 2002 deadline. (See Attachment A for project application approval status.)

**Allocations and Expenditures:** The statutes authorize the Department of Transportation (Department) to allocate funds from the TCR Fund, as directed by the Commission, for specific projects, or phases of a project. The Commission guidelines approved in September 2000, which were amended July 2001, delegated authority to the Department to make project allocations unless specifically requested by the Commission that their approval is required, on a case-by-case basis.

As of December 31, 2001, the Department has allocated TCR funds totaling \$1.0 billion for 116 of the 131 project applications approved by the Commission. Of the total funds allocated, \$130.8 million has been expended by the recipient agencies as of December 31, 2001. (See Attachment A for project expenditure details.)

### **Alternative Projects Proposed**

AB 2928 (Torlakson, 2000) and Commission guidelines allow an applicant to propose a different project than the one designated; it prescribes four tests, at least one of which must be met, to determine whether an alternative project would be appropriate. The tests are:

- a. if the specified project is delayed by environmental or other factors, external to the control of the applicant, and unlikely to be removed within a reasonable time,
- b. if sufficient matching funds are not available,
- c. if the specified project is not consistent with the pertinent Regional Transportation Plan, or
- d. if the specified project would jeopardize completion of other projects in the State Transportation Improvement Program.

The Commission expects lead applicant agencies to consider thoroughly all projects specified in the legislation **before** seeking an alternative project, and exhaust all reasonable efforts to eliminate or relieve the conditions that would cause a project specified in the legislation to be abandoned.

To date, the Commission has not received a request for an alternative project, however, as projects go through the environmental process, alternative projects may yet be proposed.

### **Commission Policy**

**Major/Minor Change Amendment Delegation Policy:** The TCR Program statutes and Commission guidelines specifically state that the Commission's approval of the project application establishes the implementation schedule for each phase of each project, by fiscal year, and allows the Commission to approve changes in project scope, cost, or schedule of any phase of work, as long as

the requested changes are consistent with the project scope, purpose and need in the approved application.

To assist the Commission in meeting its intent to expedite project amendments, consistent with its oversight responsibilities, the Commission at its September 2001 meeting approved delegated authority to the Commission and Department TCR Program Managers to jointly approve **minor** TCR Program project change amendments. This delegation will allow for the timely approval of minor amendments consistent with the original project scope, purpose and need, as stated in an approved application, in those instances when the fiscal year for the ultimate project completion is unchanged.

Following the recent adoption of the Commission's policy on minor amendments, several applicants have requested minor amendments. While these requests vary from minor scope changes to schedule adjustments, they could be a harbinger of increasing numbers of major amendment requests, as applicant agencies come to grip with potential environmental issues, competing demands for available federal, state and local funding, and meeting project delivery schedules.

**STIP Allocation Delegation:** At its August 2001 meeting, the Commission approved delegated authority to the Department, starting January 1, 2002, to allocate STIP funds for projects. At the same meeting, the Commission re-cast the delegated authority to allocate TCRP funds that had been authorized previously in 2000. Under this delegated authority, for both STIP and TCRP funds, a recipient would have to demonstrate *project consistency* with the approved TCRP application and STIP and *project readiness* to be able to utilize the allocated funds within the timeframe of the semi-annual TCRP Status of Projects Report. Hence, each semi-annual status report is to contain a listing of TCRP projects eligible for delegated allocations of TCRP and/or STIP funds in the coming six months. Any allocation request not meeting this criteria would have to be brought directly to the Commission for consideration.

**TCR Exchange Program:** AB 2928 allows local transportation agencies to exchange certain categorical federal transportation funds, Congestion Mitigation and Air Quality Improvement (CMAQ) and Regional Surface Transportation Program (RSTP), for monies in the TCR Fund based upon funding availability. This exchange process gives local agencies greater discretion to spend funds on projects that may not easily fit the federal categories. On February 21, 2001, the Commission adopted the TCR Exchange Program guidelines. The Department is required to repay the TCR Fund with federal transportation funds.

AB 1705 (Committee on Transportation, Chapter 512, Statutes of 2001) revised AB 2928 to require the Department to repay from the State Highway Account in the State Transportation Fund to the TCR Fund all funds received as federal reimbursements, as they are received, for funds exchanged under the exchange program, except that the repayments are not required to be made more frequently than on a quarterly basis.

AB 1705 also revises the local maintenance of effort requirement for recipients of TCR project funds. This requirement is applicable to local transportation agencies which administer transportation sales

taxes (“self-help counties”) and which have had expenditure spikes due to bond-financed expenditures in the early years of an authorized local transportation sales tax. Rather than having to maintain local year-to-year expenditures at an artificially high level, the bill requires that these local agencies certify their continued use of local transportation capital funds only for transportation purposes. The certifications are subject to state audit. The TCR Exchange Program guidelines will be amended as a result of AB 1705 and adopted by the Commission at their January 2002 meeting.

Through December 31, 2001 only two local agencies had taken advantage of the TCR Exchange Program for a total amount of \$925,905. The Santa Cruz County Regional Transportation Commission requested an exchange of federal CMAQ funds for a lump sum of \$255,000 in TCR funds for the Watsonville Transit Center Daycare Facility project and the Transportation Agency of Monterey County requested a lump sum of \$670,905 in TCR funds in exchange for CMAQ funds to construct a Class I bikeway in the cities of Marina and Seaside to Monterey and Pacific Grove. Regional agencies provide apportionments and obligation authority at the same rate that the Federal Highway Administration distributes obligation authority. In exchange, State dollars are provided to the regional agencies at 90% of the obligation authority exchanged, which could explain the relatively low demand for the TCR Exchange Program.

### **Significant Project Successes and Innovation**

The TCR Program project allocations provided opportunities to transportation agencies to achieve specific project milestones, initiate procurement activities, and achieve project delivery for some short-term projects. The funding also provided streamlining and innovative financing opportunities. A summary of project delivery and significant project successes follows.

#### *Jumpstart Project Initiation - Project #1, Extend BART from Fremont to San Jose*

The Santa Clara Valley Transportation Authority (VTA) received \$8 million in TCR Program funding at the February 2001 Commission meeting to perform Major Investment Studies (MIS) and conduct alternative analysis for transit service on this corridor. The VTA recently adopted a BART system as the preferred alternative. Concurrent with this action, VTA and BART have reached an agreement, which outlines project funding and operational responsibilities and provides BART a revenue stream for future operating costs system wide.

#### *Innovative Procurement / Delivery - Project #13, Caltrain “Baby Bullet” Express Service*

At its November 2001 meeting the Commission approved a project application amendment and allocation to the Peninsula Corridor Joint Powers Board to acquire new passenger rail cars, through an innovative agreement with Sound Transit of Seattle, to expedite the implementation of a demonstration express service starting in advance of the official “Baby Bullet” service and expedite completion of the overall project by one year.

*Innovative Project Delivery* - Project #17, Marin County 101 Reversible High Occupancy Vehicle (HOV) Lanes

This project was originally programmed using STIP and local funding to first construct a fully funded interim Southbound only HOV lane and then to convert this lane to a reversible HOV lane contingent upon future funding. The commitment of TCR Program funding prompted Marin County to provide additional local funding to fully fund the ultimate reversible HOV facility, thus eliminating the need for the interim strategy.

*Public / Private Partnership* - Project #28, Transit Village at Richmond BART Station

The TCR Program provides \$5 million in funding to construct a new parking facility for transit riders at this important intermodal station. The new parking structure allows for public / private development of a Transit Village on the location of the existing surface parking lot.

*Streamlining* - Project #36, San Fernando Valley East/West Bus Rapid Transit

Use of TCR Program funds provides flexibility for projects to move forward without having to go through federal processes. Los Angeles County Metropolitan Transportation Authority will add approximately \$170 million in measure funds to the \$145 million from the TCR Program to fully fund the San Fernando East/West Bus Rapid Transit project, a design/build project.

*Interagency Partnerships*

The TCR Program opened dialogue and built stronger partnerships between agencies to ensure that appropriate projects are funded and implemented, regardless of jurisdictional boundaries. Examples include:

- Projects #114 and #122 – Kern and Tulare counties have executed agreements to share in costs to improve Route 65.
- Project #53 – ATSAAC; City of Los Angeles and the Department are partnering to complete signal synchronization projects in the San Fernando Valley.
- Project #138 – Cross Valley Rail; Formation of a joint power authority among corridor cities to deliver the Cross Valley Rail project.
- Project #102 – City of Santa Barbara and the Santa Barbara Metropolitan Transit District (MTD) partnering to share TCR Program funding to coordinate installation of signal synchronization equipment along State Street and procurement of vehicle tracking equipment for MTD buses running along the State Street corridor.
- Project #148 – Widen State Route 111 in Imperial County. The City of Calexico and the Department have partnered funding to accelerate delivery of a portion of the 111 widening in the rapidly developing eastern portion of the City of Calexico. Along with congestion relief, the project will provide safety-related improvements through a designated school zone.

**Alameda Corridor East Project**

The TCR Program provides \$273 million toward the funding of railroad grade separations in eastern Los Angeles County, San Bernardino County and Orange County as part of the \$2.7 billion Alameda Corridor East program. Legislation also requires that before grants from the TCR Program can be

allocated to any of the three Alameda Corridor East projects, a report on the regional mobility needs, as well as regional, state, and national economic impacts of the corridor must be completed and submitted to the Commission.

The required Alameda Corridor East Trade Corridor Plan was presented at the Commission's June 7, 2001 meeting. The Commission accepted the Plan, finding that it meets all legislative requirements. The Commission complimented the San Gabriel Valley Council of Governments, San Bernardino Associated Governments, OnTrac, Orange County Transportation Authority and the Riverside County Transportation Commission for cooperatively producing a report in only nine months. The report effectively examines the status, significance, project needs and priorities of goods movement through the Ports of Los Angeles and Long Beach and along the Alameda Corridor East from the downtown Los Angeles rail yards through the Cajon Pass in San Bernardino County and into central Riverside County. This cooperative effort demonstrates a regional approach to major project planning that can serve as a model throughout the state.

The Commission approved the project application for the Orangethorpe Corridor project in Orange County for \$28 million on June 7, 2001. On July 12, 2001, the Commission approved the project applications for the \$150 million project to build grade separations on the Burlington Northern-Santa Fe (BNSF) and the Union Pacific (UP) Railroad lines in Los Angeles County, and the \$95 million project to build grade separations on the BNSF and the UP railroad lines in San Bernardino County.

The Commission requested periodic reports from the agencies that prepared the Plan on the progress of implementing the corridor projects to be built using TCR Program funds, the report should include information on expanding the funding base for the corridor in its entirety, and progress in developing a region-wide phased implementation program that uses objective criteria for determining project priority.

### **Upcoming Actions**

**North Coast Railroad Authority (NCRA) Project:** The TCR Program specifies that \$60 million go to repair, rehabilitate, and reopen NCRA's rail line between Sonoma County and Eureka, to mitigate environmental hazards along this rail corridor and to pay off overdue past debts. The Commission has approved applications totaling \$53.9 million of the \$60 million available; however, only \$17.5 million of this \$53.9 million has been allocated to date. The bulk of the allocated funds were \$15.5 million for debt reduction and for funding an escrow account needed to repay a federal loan known as the "Q fund loan". In July 2000, \$850,000 was allocated for administration (\$250,000) and for capital (\$600,000) for the segment south of Willits. In July 2001, an additional \$250,000 was allocated for administration. The remaining \$900,000 of the \$15.5 million allocated to date was for further administrative costs, preliminary assessment of the line, and matching funds. The \$10 million approved for debt reduction does not fully pay-off the outstanding debt owed; another \$1,279,295 in debt remains to be paid, outside of the TCR Program. The Commission has requested that, beginning in January 2002, NCRA report quarterly on all outstanding debt, interest rates and any newly incurred debts, and the projected point in time when NCRA will generate enough revenues to retire the remaining debt.

**Fuel Technology:** In February 2001, the Commission approved a project application amendment submitted by AC Transit to amend the delivery schedule for the purchase of zero-emission fuel cell buses that will be used to demonstrate the feasibility of using this technology as the energy source for the operation of standard-size transit buses in a large urban transit environment. The project will include the supporting infrastructure (fueling and maintenance) facilities needed to implement the project. At the February 2001 Commission meeting, the California Fuel Cell Partnership made a presentation on fuel cell technology, and it was determined that it would be more beneficial to delay the demonstration one year (originally scheduled for June 2002) in order to reduce the costs per bus to a more acceptable level and to use the commercial version of the engine rather than the prototype. The new delivery date is June 2003, with testing to commence upon receipt of the buses. The strategy will allow AC Transit to purchase at least six buses, providing a larger test fleet, thus enhancing the demonstration project.

At its August 2001 meeting, the Commission approved a project application submitted by the Metropolitan Transportation Commission (MTC) to acquire low-emission buses (suburban and over-the-road) for new express service on High Occupancy Vehicle (HOV) lanes region wide, in nine counties. The Commission approved a concurrent allocation request for the procurement of the suburban buses. An allocation of funds for the purchase of over-the-road buses is contingent upon documentation from MTC stipulating the new vehicles will meet the California Air Resources Board (CARB) and Environmental Protection Agency (EPA) emission requirements for October 2002 transit buses.



Bill Ref # *	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
1	Extend BART from Fremont to Downtown San Jose in Alameda and Santa Clara Counties.	\$725,000,000	\$8,000,000	\$8,000,000	\$0	Application approved 2-01.
2	Acquire rail line & start commuter rail svc btwn Fremont & San Jose in Santa Clara & Alameda Cos. for Fremont-South Bay Commuter Rail.	\$35,000,000	\$0	\$0	\$0	<b>Application expected 1-02.</b>
3	Widen Rte 101 from 4 to 8 lanes south of San Jose, Bernal Road to Burnett Avenue in Santa Clara Co.	\$25,000,000	\$25,000,000	\$25,000,000	\$0	Application approved 7-01.
4	Add northbound HOV lane on Rte 680 over Sunol Grade, Milpitas to Rte 84 in Santa Clara & Alameda Counties.	\$60,000,000	\$60,000,000	\$2,000,000	\$10,000	Application approved 6-01.
5	Add NB lane on Rte 101 to fwy thru San Jose, Route 87 to Trimble Road in Santa Clara Co.	\$5,000,000	\$5,000,000	\$0	\$0	Application approved 6-01.
6	Perform major investment study for Rte 262 cross connector freeway from Rte 680 to Rte 880 near Warm Springs in Santa Clara Co.	\$1,000,000	\$1,000,000	\$1,000,000	\$0	Application approved 2-01.
7	Expand Caltrain service to Gilroy; improve parking, stations, and platforms along UPRR line in Santa Clara County.	\$55,000,000	\$0	\$0	\$0	<b>Application expected 2-02.</b>
8	Reconstruct Coleman Ave Interchange on Rte 880 near San Jose Airport in Santa Clara County.	\$5,000,000	\$5,000,000	\$5,000,000	\$0	Application approved 2-01.
9	Improve Capitol Corridor btwn Oakland & San Jose & rail stations at Jack London Sq & Emeryville stations in Alameda & Santa Clara Counties	\$25,000,000	\$2,575,000	\$2,575,000	\$0	Three applications approved 11-00, 3-01 & 10-01
10	Procure low-emission Regional Express Buses for new express service on HOV lanes in MTC region.	\$40,000,000	\$40,000,000	\$16,035,000	\$0	Application approved 8-01.
11	Complete feasibility & financial studies for new San Francisco Bay Southern Crossing in Ala & SF or San Mateo Cos.	\$5,000,000	\$3,200,000	\$3,200,000	\$1,194,000	Application approved 9-00.
12	Complete studies of & fund related improvements for the I-580 Livermore Corridor (Bay Area Transit Connectivity).	\$7,000,000	\$1,200,000	\$1,200,000	\$278,000	Application approved 11-00.
12.1	Complete studies of & fund related improvements for the Hercules Rail Sta & related improvements (Bay Area Transit Connectivity).	\$7,000,000	\$2,000,000	\$2,000,000	\$500,000	Application approved.
12.2	Complete studies of & fund related improvements for the W. CC Co. & Rte 4 Corridors in Ala & CC Cos. (Bay Area Transit Connectivity).	\$3,000,000	\$100,000	\$100,000	\$0	Two applications approved 12-00 & 1-01.
13	Procure rolling stock, add passing tracks, & const.ped. access structure at stations on CalTrain Peninsula Corridor in SF, SM & SCI Cos.	\$127,000,000	\$127,000,000	\$127,000,000	\$1,050,000	Three applications approved 12-00, 6-01 & 7-01.
14	Extend Caltrain service to Salinas in Monterey County.	\$20,000,000	\$365,000	\$365,000	\$0	Application approved 7-01.
15	Add fourth tunnel bore at the Caldecott Tunnel on Rte 24 with additional lanes in Alameda and Contra Costa Counties.	\$20,000,000	\$20,000,000	\$15,000,000	\$362,000	Application approved 9-00.
16	Widen Rte 4 to 8 lanes from Railroad thru Loveridge Rd. including 2 HOV lanes, & 6 or more lanes from east of Loveridge Rd thru Hillcrest.	\$39,000,000	\$39,000,000	\$25,000,000	\$9,000,000	Application approved 12-00.
17	Add reversible HOV lane on Rte 101 thru San Rafael from Sir Francis Drake Blvd to North San Pedro Rd in Marin County.	\$15,000,000	\$15,000,000	\$2,751,000	\$0	Application approved 6-01.
18	Widen 8 miles of Rte 101 to 6 lanes from Novato to Petaluma (Novato Narrows) in Marin and Sonoma Cos.	\$21,000,000	\$6,200,000	\$2,000,000	\$263,000	Application approved 6-01.
19	Establish a regional water transit system beginning with Treasure Island in the City and County of San Francisco.	\$2,000,000	\$150,000	\$150,000	\$0	Application approved 12-01.
20	Extend San Francisco Muni Third Street Light Rail line to Chinatown (tunnel) in the City and County of San Francisco.	\$140,000,000	\$140,000,000	\$140,000,000	\$0	Application approved 7-01.
21	Reconstruct San Francisco Muni Ocean Avenue Light Rail to Rte 1 near CSUSF in the City and County of San Francisco.	\$7,000,000	\$7,000,000	\$7,000,000	\$0	Application approved 9-00.

Bill Ref # *	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
22	Perform environmental study for reconstruction of Doyle Drive on Rte 101, from Lombard St./Richardson Avenue to Rte 1 I/C in SF Co.	\$15,000,000	\$3,000,000	\$3,000,000	\$0	Application approved 7-01.
23	Complete grade separations on CalTrain Peninsula Corridor at Poplar Ave, 25th Ave. & Linden Ave in San Mateo County.	\$15,000,000	\$0	\$0	\$0	<b>Application expected 4-02.</b>
24	Procure low-emission ferryboats for Vallejo Baylink Ferry to expand Baylink Vallejo-San Francisco service in Solano County.	\$5,000,000	\$5,000,000	\$5,000,000	\$0	Application approved 12-00.
25	Construct Stage 1 of 7 stages of Rte.12 I/C complex at Rte.12/I-80/I-680 I/C in Fairfield in Solano County.	\$13,000,000	\$1,000,000	\$1,000,000	\$378,000	Application approved 9-00.
26	Add siding for ACE Commuter Rail on UPRR line in Livermore Valley in Alameda County.	\$1,000,000	\$0	\$0	\$0	<b>Application expected 3-02.</b>
27	Construct Vasco Rd Safety and Transit Enhancement Project in Alameda and Contra Costa Counties.	\$11,000,000	\$2,590,000	\$1,094,000	\$0	Two applications approved 3-01 & 7-01.
28	Construct parking structure at transit village at Richmond BART Station in Contra Costa County.	\$5,000,000	\$680,000	\$680,000	\$0	Application approved 3-01.
29	Procure two fuel cell buses and fueling facility for AC Transit demonstration project in Alameda and Contra Costa Counties.	\$8,000,000	\$8,000,000	\$8,000,000	\$0	Application approved 2-01.
30	Start implementation of commuter rail passenger service from Cloverdale south to San Rafael and Larkspur in Marin & Sonoma Cos.	\$37,000,000	\$7,700,000	\$7,700,000	\$281,000	Application approved 12-00.
31	Construct EB & WB HOV lanes on Rte 580 from Tassajara Road/Santa Rita Road to Vasco Road in Alameda County.	\$25,000,000	\$25,000,000	\$7,000,000	\$50,000	Application approved 7-01.
32.1	Repair & upgrade track of North Coast Railroad to meet Class II freight standards in Napa, Son, Mar, Men & Hum Cos. Administrative costs.	\$1,000,000	\$1,000,000	\$1,000,000	\$724,000	Two applications approved 2-01 & 7-01.
32.2	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Complete line from Lombard to Willits.	\$600,000	\$600,000	\$600,000	\$600,000	Application approved 7-01.
32.3	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Complete line from Willits to Arcata.	\$1,000,000	\$1,000,000	\$400,000	\$0	Application approved 11-00.
32.4	Repair & upgrade NCRA track to meet Class II freight stds in Nap, Son, Mar, Men & Hum Cos. Upgrade rail line to Class II/III status.	\$5,000,000	\$5,000,000	\$100,000	\$0	Application approved 5-01.
32.5	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Perform environmental remediation.	\$4,100,000	\$100,000	\$100,000	\$0	Application approved 9-00.
32.6	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Reduce debt owed to creditors.	\$10,000,000	\$10,000,000	\$10,000,000	\$9,812,000	Application approved 9-00.
32.7	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Use funds to match to federal funds.	\$1,800,000	\$50,000	\$50,000	\$0	Application approved 9-00.
32.8	Repair & upgrade NCRA track to meet Class II freight standards in Nap, Son, Mar, Men & Hum Cos. Fund repayment of federal Q fund loan.	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	Application approved 9-00.
32.9	Repair & upgrade NCRA track to meet Class II freight stds in Nap, Son, Mar, Men & Hum Cos. Fund long-term stabilization of rail line.	\$31,000,000	\$31,000,000	\$0	\$0	Application approved 5-01.
33	Procure low-emission buses for Los Angeles County MTA bus transit service.	\$150,000,000	\$150,000,000	\$0	\$0	Application approved 6-01.
34	Construct Pasadena Blue Light Rail Line from Pasadena to Los Angeles in Los Angeles County.	\$40,000,000	\$40,000,000	\$40,000,000	\$18,576,000	Application approved 9-00.
35	Construct triple track intercity rail line for Pacific Surfliner & add run-through-tracks through Los Angeles Union Station in Los Angeles Co.	\$100,000,000	\$28,000,000	\$28,000,000	\$1,000,000	Application approved 3-01.
36	Construct Eastside Transit light rail extension in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in LA County.	\$236,000,000	\$19,500,000	\$19,500,000	\$1,143,000	Two applications approved 11-00 & 1-01.

Bill Ref # *	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
37	Construct Bus Rapid Transit system or Light Rail Transit in Mid-City/Westside/Exposition Corridors in Los Angeles County.	\$256,000,000	\$4,700,000	\$4,700,000	\$94,000	Application approved 1-01.
38	Const. Bus Rapid Transit project in Burbank-Chandler corridor & N/S corridor BRT project connecting w/ Burbank & Ventura BRT projects.	\$245,000,000	\$14,300,000	\$14,300,000	\$233,000	Two applications approved 1-01 & 6-01.
39	Add northbound HOV lane on Rte 405 over Sepulveda Pass, Route 10 to Route 101 in Los Angeles County.	\$90,000,000	\$15,000,000	\$15,000,000	\$659,000	Application approved 9-00.
40	Add HOV lanes on San Bernardino Freeway (Rte 10) over Kellogg Hill, near Pomona, Route 605 to Route 57 in Los Angeles County.	\$90,000,000	\$12,500,000	\$500,000	\$500,000	Application approved 6-01.
41	Add HOV lanes on Golden State Fwy (Rte 5) thru San Fernando Valley, Rte 170 (Hollywood Fwy) to Route 14 (Antelope Valley Fwy) in LA Co.	\$50,000,000	\$50,000,000	\$21,250,000	\$2,862,000	Application approved 6-01.
42	Widen Santa Ana Fwy (Rte 5) to 10 lanes (2 HOV + 2 mixed flow) from Orange Co. line to Rte 710, w/ related arterial improvements, in LA Co.	\$125,000,000	\$125,000,000	\$6,000,000	\$0	Application approved 6-01.
43	Improve Carmenia Road I/C on Rte 5 in Norwalk in Los Angeles County.	\$71,000,000	\$71,000,000	\$290,000	\$0	Application approved 9-00.
44	Construct I/C at Ocean Blvd Overpass on Rte 47 (Terminal Island Freeway) in Long Beach in Los Angeles County.	\$18,400,000	\$18,400,000	\$14,660,000	\$0	Application approved 1-01.
45	Complete Gateway Corridor Study (Rte 710) for Los Angeles/Long Beach Ports to Route 5 in Los Angeles County.	\$2,000,000	\$2,000,000	\$2,000,000	\$0	Application approved 9-00.
46	Reconstruct intersection of Rte 1 at Rte 107 in Torrance in Los Angeles County.	\$2,000,000	\$2,000,000	\$700,000	\$40,000	Application approved 5-01.
47	Construct off-ramp off Rte 101 onto California Street in Ventura County.	\$15,000,000	\$620,000	\$620,000	\$186,000	Application approved 3-01.
48	Perform Rte 101 corridor analysis & PSR to improve corridor from Rte 170 (N. Hollywood Fwy) to Rte 23 in Thousand Oaks in LA & Ven Cos.	\$3,000,000	\$3,000,000	\$3,000,000	\$0	Application approved 9-00.
49	Construct Hollywood Intermodal Transportation Center at Highland Avenue and Hawthorn Avenue in the City of Los Angeles.	\$10,000,000	\$350,000	\$350,000	\$0	Application approved 7-01.
50	Complete three miles of six-lane freeway on Rte 71 through Pomona from Route 10 to Route 60 in Los Angeles County.	\$30,000,000	\$11,800,000	\$1,500,000	\$1,500,000	Application approved 9-00.
51	Add auxiliary lane & widen ramp through freeway interchange on Rte 101/405 in Sherman Oaks in Los Angeles County.	\$21,000,000	\$4,000,000	\$4,000,000	\$393,000	Application approved 9-00.
52	Add HOV & auxiliary lanes on Rte 405 for 1 mile in West Los Angeles from Waterford Avenue to Rte 10 in Los Angeles County.	\$25,000,000	\$25,000,000	\$0	\$0	Application approved 6-01.
53	Improve 479 automated signals in Victory/Ventura Corridor, & add 76 new automated signals in Sepulveda Blvd & Rte 118 Corridors in LA.	\$16,000,000	\$16,000,000	\$1,700,000	\$137,000	Application approved 9-00.
54	Construct grade seps for Alameda Corridor East on BNSF & UP RR lines from downtown LA to LA County line.	\$150,000,000	\$150,000,000	\$4,500,000	\$0	Application approved 7-01.
55	Construct grade seps for Alameda Corridor East on BNSF & UP RR lines from LA Co to Colton, w/ rail sep. at Colton in San Berdu Co.	\$95,000,000	\$3,460,000	\$1,460,000	\$0	Application approved 7-01.
56	Construct track and signal improvements on Metrolink near San Bernardino County line.	\$15,000,000	\$15,000,000	\$15,000,000	\$137,000	Application approved 9-00.
57	Add HOV lanes on Rte 215 through downtown San Bernardino, Route 10 to Route 30 in San Bernardino County.	\$25,000,000	\$25,000,000	\$0	\$0	Application approved 6-01.
58	Widen Rte 10 to eight-lanes through Redlands from Route 30 to Ford Street in San Bernardino County.	\$10,000,000	\$10,000,000	\$0	\$0	Application approved 6-01.
59	Widen Live Oak Canyon I/C at Rte 10 including, but not limited to, the 14 <sup>th</sup> St Bridge over Wilson Creek, in Yucaipa, San Bernardino Co.	\$11,000,000	\$11,000,000	\$1,650,000	\$0	Application approved 12-00.

Bill Ref #	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
60	Construct southbound truck climbing lane on Rte 15 at two locations in San Bernardino County.	\$10,000,000	\$955,000	\$955,000	\$270,000	Application approved 1-01.
61	Reconstruct Apache Trail Interchange on Rte 10 east of Banning in Riverside County.	\$30,000,000	\$3,900,000	\$3,900,000	\$190,000	Application approved 9-00.
62	Add HOV lanes on Rte 91 through downtown Riverside, Mary Street to Route 60/215 junction in Riverside County.	\$40,000,000	\$35,700,000	\$3,700,000	\$70,000	Two applications approved 5-01 & 6-01.
63	Add seven miles of HOV lanes on Rte 60 west of Riverside from Route 15 to Valley Way in Riverside County.	\$25,000,000	\$3,800,000	\$3,800,000	\$1,037,000	Application approved 1-01.
64	Improve Green River I/C on Rte 91 & add auxiliary lane & connector ramp east of the Green River I/C to NB Rte 71 in Riverside County.	\$5,000,000	\$0	\$0	\$0	<b>Application expected 1-02.</b>
70	Add HOV lanes on Rte 22 (Garden Grove Fwy) from Route 1-405 to Route 55 in Orange County.	\$206,500,000	\$206,500,000	\$53,400,000	\$4,460,000	Three applications approved 12-00, 3-01 & 6-01.
73	Construct grade seps for Alameda Corridor East (Orangethorpe Corridor) on BNSFline from LA thru Santa Ana Cyn in Orange County.	\$28,000,000	\$28,000,000	\$8,900,000	\$5,200,000	Application approved 6-01.
74	Add double track for Pacific Surfliner intercity rail line within San Diego County & add maintenance yard in San Diego County.	\$47,000,000	\$8,498,000	\$2,998,000	\$0	Application approved 8-01.
75	Procure about 85 low-emission buses for San Diego transit service in San Diego County.	\$30,000,000	\$30,000,000	\$1,300,000	\$0	Application approved 7-01.
76	Procure one new train set to expand Coaster commuter rail service in San Diego County.	\$14,000,000	\$14,000,000	\$14,000,000	\$1,620,000	Application approved 9-00.
77	Complete environmental studies to add capacity to Rte 94 corridor from downtown San Diego to Rte 125 in Lemon Grove in San Diego County.	\$20,000,000	\$4,000,000	\$4,000,000	\$97,000	Application approved 3-01.
78	Improve access to light rail from new in-town East Village development in San Diego County.	\$15,000,000	\$15,000,000	\$382,000	\$0	Application approved 11-00.
79	Construct new 20-mile North County light rail line from Oceanside to Escondido in San Diego County.	\$80,000,000	\$80,000,000	\$0	\$0	Application approved 8-01.
80	Extend Old Town/Mid-Coast light rail line 6 miles to Balboa Avenue in San Diego County.	\$10,000,000	\$0	\$0	\$0	<b>Application expected 3-02.</b>
81	Procure low-emission high-speed ferryboat for new off-coast service between San Diego and Oceanside in San Diego County.	\$5,000,000	\$400,000	\$400,000	\$0	Application approved 10-01.
82	Reconstruct and widen Rte 5/805 interchange at Genesee Avenue to Del Mar Heights Road in San Diego County.	\$25,000,000	\$25,000,000	\$25,000,000	\$10,000	Application approved 11-00.
83	Add high-tech managed lane on I-15 freeway north of San Diego (Stage 1) from Route 163 to Route 78 in San Diego County.	\$70,000,000	\$30,000,000	\$30,000,000	\$6,920,000	Application approved 11-00.
84	Construct four miles of new six-lane freeway on Rte 52 from Santee, Mission Gorge to Route 67 in San Diego County.	\$45,000,000	\$45,000,000	\$25,000,000	\$0	Application approved 5-01.
85	Construct about 5 miles of new fwy alignment on Rte 56 between I-5 and I-15 from Carmel Valley to Rancho Penasquitos in San Diego Co.	\$25,000,000	\$25,000,000	\$10,813,000	\$10,813,000	Application approved 11-00.
86	Construct a new six-lane freeway (Route 905) on Otay Mesa, Route 805 to Mexico Port of Entry in San Diego County.	\$25,000,000	\$25,000,000	\$25,000,000	\$113,000	Application approved 6-01.
87	Construct two new freeway connector ramps at Route 94/125 in Lemon Grove in San Diego County.	\$60,000,000	\$2,971,000	\$2,971,000	\$112,000	Two applications approved 9-00 & 11-00.
88	Realign Route 5 freeway at Virginia Avenue approaching San Ysidro Port of Entry to Mexico in San Diego County.	\$10,000,000	\$0	\$0	\$0	<b>Application expected 2-02.</b>
89	Improve Route 99 Shaw Avenue Interchange in northern Fresno in Fresno County.	\$5,000,000	\$1,600,000	\$1,600,000	\$263,000	Application approved 3-01.

Bill Ref #	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
90	Widen Rte 99 freeway to six lanes, Kingsburg to Selma in Fresno County.	\$20,000,000	\$3,860,000	\$3,800,000	\$693,000	Application approved 5-01.
91	Construct new expressway (Route 180) east of Clovis, Clovis Avenue to Temperance Avenue in Fresno County.	\$20,000,000	\$20,000,000	\$12,561,000	\$576,000	Application approved 5-01.
92	Improve track and signals along San Joaquin intercity rail line near Hanford in Kings County.	\$10,000,000	\$0	\$0	\$0	<b>Application expected 3-02.</b>
93	Complete environmental studies to extend Route 180 westward from Mendota to I-5 in Fresno County.	\$7,000,000	\$7,000,000	\$7,000,000	\$136,000	Application approved 2-01.
94	Widen Rte 43 to four-lane expressway from Kings County line to Rte 99 in Selma in Fresno County.	\$5,000,000	\$2,600,000	\$2,600,000	\$205,000	Application approved 5-01.
95	Add auxiliary lane/operational improvements on Route 41 and improve ramps at Friant Road Interchange in Fresno in Fresno County.	\$10,000,000	\$2,674,000	\$2,674,000	\$549,000	Application approved 3-01.
96	Widen Friant Road to four lanes from Copper Avenue to Road 206 in Fresno County.	\$10,000,000	\$10,000,000	\$512,000	\$0	Application approved 7-01.
97	Construct op improvements on Shaw, Chestnut, Willow, & Barstow near CSUF. \$2,000,000 to CSUF for plans & mgmt costs for Events Center.	\$10,000,000	\$10,000,000	\$3,953,000	\$0	Three applications approved 9-00, 12-00 & 6-01.
98	Widen Peach Ave to four-lane arterial and add pedestrian overcrossings for three schools in Fresno County.	\$10,000,000	\$10,000,000	\$600,000	\$0	Application approved 5-01.
99	Improve track and signals along San Joaquin intercity rail line in seven counties.	\$15,000,000	\$3,000,000	\$3,000,000	\$0	Application approved 12-01.
100	Provide incentives for reducing heavy-duty diesel engine emissions w/in 8 county San Joaquin Valley region SJVECAAP.	\$25,000,000	\$25,000,000	\$25,000,000	\$12,500,000	Application approved 11-00.
101	Construct low-emission buses for Santa Cruz Metropolitan Transit District	\$3,000,000	\$3,000,000	\$3,000,000	\$0	Application approved 3-01.
102	Implement State Street smart corridor Advanced Traffic Corridor System (ATSC) technology in Santa Barbara County for Rte 101 access	\$1,300,000	\$1,300,000	\$1,300,000	\$0	Application approved 8-01.
103	Improve Rte 99 interchange at Seventh Standard Road, north of Bakersfield in Kern County.	\$8,000,000	\$8,000,000	\$1,900,000	\$0	Application approved 2-01.
104	Construct on Rte 99 seven miles of new six-lane freeway south of Merced, Buchanan Hollow Road to Healey Road in Merced County.	\$5,000,000	\$5,000,000	\$0	\$0	Application approved 12-00.
105	Construct on Rte 99 two miles of new six-lane freeway from Madera County line to Buchanan Hollow Road in Merced County.	\$5,000,000	\$5,000,000	\$0	\$0	Application approved 6-01.
106	Construct new arterial (Campus Parkway) in Merced County from Route 99 to Bellevue Road.	\$23,000,000	\$0	\$0	\$0	<b>Application expected 1-02.</b>
107	Widen Rte 205 freeway to six lanes, Tracy to I-5 in San Joaquin County.	\$25,000,000	\$25,000,000	\$0	\$0	Application approved 6-01.
108	Add northbound lane to Rte 5 freeway through Mossdale "Y", Route 205 to Route 120 in San Joaquin County.	\$7,000,000	\$7,000,000	\$761,000	\$127,000	Two applications approved 12-00 & 10-01.
109	Construct 4 miles of new four-lane expwy on Rte 132 in Modesto from Dakota Ave to Rte 99 & improve Rte 99 I/C in Stanislaus County.	\$12,000,000	\$0	\$0	\$0	<b>Application expected 4-02.</b>
110	Construct 3.5 miles of new 4-lane expwy on Rte 132 from Rte 33 in Stanislaus County to the San Joaquin County line.	\$2,000,000	\$500,000	\$500,000	\$253,000	Application approved 12-00.
111	Construct 10 miles of new four-lane expressway on Route 198 from Route 99 to Hanford in Kings and Tulare Counties.	\$14,000,000	\$853,000	\$853,000	\$35,000	Application approved 5-01.
112	Widen Jersey Ave from 17th Street to 18th Street in Kings County.	\$1,500,000	\$1,500,000	\$0	\$0	Application approved 2-01.

Bill Ref # *	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
113	Widen Rte 46 to four lanes for 33 miles from San Luis Obispo County line to Route 5 in Kern County.	\$30,000,000	\$300,000	\$300,000	\$300,000	Application approved 5-01.
114	Add on Rte 65 4-passing lanes, intrscn improvement, & conduct environ studies for 4 lanes from Rte 99 in Bakersfield to Tulare County line.	\$12,000,000	\$1,674,000	\$376,000	\$24,000	Application approved 6-01.
115	Extend South Line three miles towards Elk Grove, from Meadowview Road to Calvine Road in Sacramento County.	\$70,000,000	\$4,000,000	\$4,000,000	\$0	Application approved 9-00.
116	Double-track Route 80 light rail line for express service in Sacramento County.	\$25,000,000	\$4,000,000	\$0	\$0	Application approved 10-01.
117	Extend light rail from 7th & K to Sacto Amtrak Depot & extend light rail from Mather Field Sta to Folsom; add veh storage & maint. facility.	\$20,000,000	\$20,000,000	\$20,000,000	\$1,381,000	Application approved 9-00.
118	Provide incentives to reduce heavy-duty diesel engine emissions within Sacramento region (SECAT)	\$66,000,000	\$66,000,000	\$16,500,000	\$16,500,000	Application approved 9-00.
119	Convert Sac Reg Transit bus fleet to low emission & provide Yolobus svc; procure 50 replacement low-emission buses for Sac & Yolo Cos.	\$3,000,000	\$3,000,000	\$1,173,000	\$580,000	Application approved 9-00.
121	Perform Metropolitan Bakersfield System Study to reduce congestion in Bakersfield.	\$350,000	\$350,000	\$350,000	\$151,000	Application approved 9-00.
122	Widen Rte 65 from 7th Standard Road to Route 190 in Porterville.	\$3,500,000	\$3,500,000	\$2,200,000	\$16,000	Application approved 6-01.
123	Construct parking structure at Oceanside Transit Center in San Diego Co.	\$1,500,000	\$1,500,000	\$385,000	\$0	Application approved 5-01.
126	Widen Rte 50/Watt Avenue interchange overcrossing & modify interchange in Sacramento.	\$7,000,000	\$720,000	\$720,000	\$0	Application approved 6-01.
127	Complete Rte 85/Rte 87 interchange in San Jose; add 2 direct connectors for SB Rte 85 to NB Rte 87 and SB Rte 87 to NB Rte 85.	\$3,500,000	\$3,500,000	\$3,500,000	\$0	Application approved 6-01.
128	Reconst and improve Airport Rd intersection in Shasta Co.	\$3,000,000	\$233,000	\$47,000	\$0	Application approved 5-01.
129	Improve traffic and pedestrian safety and underground utility project on Rte 62 right-of-way in Yucca Valley.	\$3,200,000	\$3,200,000	\$150,000	\$0	Application approved 7-01.
133	Prepare feasibility studies for grade separation projects for Union Pacific Railroad at Elk Grove Boulevard and Bond Road in Elk Grove.	\$150,000	\$150,000	\$150,000	\$0	Application approved 3-01.
134	Modify I/C at Route 50/Sunrise Boulevard in Sacramento.	\$3,000,000	\$3,000,000	\$3,000,000	\$225,000	Application approved 9-00.
135	Reconstruct & expand Rte 99/Sheldon Road interchange in Sacramento.	\$3,000,000	\$1,500,000	\$0	\$0	Application approved 6-01.
138	Upgrade Cross Valley Rail track from Visalia to Huron.	\$4,000,000	\$4,000,000	\$100,000	\$100,000	Application approved 3-01.
139	Expand Balboa Park BART Station – phase I expansion.	\$6,000,000	\$6,000,000	\$2,330,000	\$0	Application approved 9-00.
140	Construct overpass for Route 99 in the City of Goshen	\$1,500,000	\$750,000	\$750,000	\$65,000	Application approved 5-01.
141	Construct pedestrian bridge over Union Pacific rail lines in Union City.	\$2,000,000	\$2,000,000	\$120,000	\$0	Application approved 7-01.
142	Repair Santa Monica Boulevard in West Hollywood.	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Application approved 9-00.
144	Implement seismic retrofit of Golden Gate Bridge	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Application approved 1-01.
145	Construct new SCRRA siding in Sun Valley between Sheldon Street and Sunland Boulevard.	\$6,500,000	\$6,500,000	\$6,500,000	\$0	Application approved 9-00.

Bill Ref #	Project Description	TCRP Funds	TCRP Application Approval	TCRP Allocation Approval	Expenditures	Comments
146	Construct Palm Drive Interchange (Coachella Valley Assoc of Govts).	\$10,000,000	\$10,000,000	\$0	\$0	Application approved 5-01.
148	Widen 8 miles of Rte 98 between Route 111 and Route 7 from 2 lanes to 4 lanes.	\$10,000,000	\$4,600,000	\$3,600,000	\$491,000	Two applications approved 11-00 & 10-01.
149	Procure low-emission buses for Santa Cruz Transit for express service on Route 17.	\$3,750,000	\$3,750,000	\$3,750,000	\$0	Application approved 3-01.
150	Renovate or rehabilitate Santa Cruz Metro Center.	\$1,000,000	\$200,000	\$200,000	\$0	Application approved 8-01.
151	Procure 5 alternative fuel buses for the Pasadena Area Rapid Transit System.	\$1,100,000	\$1,100,000	\$1,100,000	\$0	Application approved 6-01.
152	Implement South Pasadena -- Pasadena Blue Line transit-oriented mixed-use development.	\$1,500,000	\$1,500,000	\$808,000	\$0	Application approved 12-00.
153	Relocate and underground utilities in South Pasadena near Pasadena Blue Line.	\$550,000	\$550,000	\$0	\$0	Application approved 12-00.
154	Perform Route 134/I-5 interchange study.	\$100,000	\$100,000	\$100,000	\$0	Application approved 3-01.
156	Implement seismic retrofit and core segment improvements for the Bay Area Rapid Transit system.	\$20,000,000	\$500,000	\$500,000	\$0	Application approved 7-01.
157	Implement congestion relief improvements on Rte 12 from Rte 29 to I-80 through Jamison Canyon.	\$7,000,000	\$7,000,000	\$4,100,000	\$269,000	Two applications approved 3-01 & 7-01.
158	Change intersection of Olympic Blvd, Mateo St, & Porter St and install traffic signal.	\$2,000,000	\$2,000,000	\$800,000	\$0	Application approved 9-00.
159	Redesign and construct Rte 101 Steele Lane Interchange.	\$6,000,000	\$6,000,000	\$0	\$0	Application approved 6-01.
	<b>Totals</b>	<b>\$4,908,900,000</b>	<b>\$2,359,428,000</b>	<b>\$1,010,022,000</b>	<b>\$130,813,000</b>	

\* Bill Reference #s 65-69,71-72,120,124-125,130-132,136-137,143,147,155 were deleted from statute.

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## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### **B. 2002 State Transportation Improvement Program Guidelines and Fund Estimate**

The development of the 2002 STIP began this year with the Commission's adoption of amendments to the STIP Guidelines on July 12, 2001 and the adoption of the 2002 STIP Fund Estimate on August 23, 2001. The adoption of the Guideline amendments for the new programming cycle followed a review in May and a hearing in June. In accordance with statute, Caltrans prepared and presented a draft Fund Estimate in July, following assumptions that had been reviewed in May and approved in June. Both the Fund Estimate assumptions and figures were reviewed and revised once again before the August adoption.

#### **2002 Fund Estimate**

The adopted Fund Estimate identified \$3.945 billion in regular STIP funding capacity available, plus \$954 million from the Advance Project Development Element (APDE), for a potential programming total of \$4.9 billion. The Fund Estimate adds three new programming years, FY 2004-05 through FY 2006-07, the most for any STIP Fund Estimate since 1990. Both the regular STIP capacity and APDE are subdivided into county and interregional program shares, as listed in the table at the end of this chapter. The Commission has some flexibility in the programming of the base STIP capacity in that a share left unprogrammed by one county will free up capacity for the Commission to advance STIP shares elsewhere. The APDE, on the other hand, adds to the Commission's potential programming capacity only through its fixed shares. An APDE share not used for one county may not be used to augment APDE programming in another county. See the further discussion below and in Chapter I-B, 2002 STIP Outlook.

The \$3.945 billion in regular STIP capacity included \$3.612 billion in new capacity, \$270 million in remaining unprogrammed capacity from the 2000 STIP, and \$63 million in programming capacity to be recycled as the result of the lapsing of previously programmed projects. These were projects that did not receive allocations in the fiscal year for which they were programmed or by the deadline of any project time extension granted by the Commission. This \$63 million augments overall programming capacity in the new STIP's first year, though individual counties may not be entitled to reprogram their lapsed shares before the first year of the new county share period, FY 2004-05.

By source, the \$3.945 billion included \$3.261 billion from the State Highway Account (SHA), \$502 million from the Transportation Investment Fund (TIF), and \$182 million from the Public Transportation Account (PTA). In large part, the size of the new capacity being added reflects the change from a four-year to a five-year STIP made by AB 2928 (2000). The 2000 STIP covered the four years from FY 2000-01 through 2003-04. The 2002 STIP will cover the five years from FY 2002-03 through FY 2006-07. The Fund Estimate identified the following spread by funding source across the STIP period (in millions of dollars):

**FUND ESTIMATE BY SOURCE AND FISCAL YEAR  
(in \$millions)**

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>Total</u>
SHA	\$ 63	\$252	\$464	\$792	\$1,690	\$3,261
TIF	0	81	95	138	188	502
PTA	39	42	33	15	53	182
Total	\$102	\$375	\$592	\$945	\$1,931	\$3,945

- The **State Highway Account (SHA)**, the principal STIP revenue source, includes revenues from State gasoline taxes and weight fees and those Federal transportation revenues that are apportioned directly to the state. State gasoline tax and weight fees are restricted by Article XIX of the California Constitution to projects on streets and highways and public mass transit guideway fixed facilities. Any State revenues to the Account that are not restricted by Article XIX are transferred to the Public Transportation Account (PTA). STIP revenues from Federal transportation apportionments are not restricted by Article XIX but are subject to various provisions of Federal law. Unlike State revenues, they may be used for transit rolling stock. However, they may not be used for intercity rail projects, and matching funds must come from non-Federal revenues that are not bound by Article XIX.
- The **Transportation Investment Fund (TIF)** was established by the Traffic Congestion Relief Act of 2000 to receive revenues from the State sales tax on gasoline through FY 2005-06. Specific dollar amounts were to be transferred from the TIF to the Transportation Congestion Relief Fund (TCRF) to fund specific projects identified in the Traffic Congestion Relief Program also created under the Act, with the remaining TIF balance to be distributed, 20% to the PTA, 40% for the STIP, and 40% for subventions to cities and counties for local street and road rehabilitation work. This year's Transportation Refinancing Plan, implemented through AB 438 as a trailer bill to the 2001-02 Budget, suspended the transfer of revenues to the TIF for FY 2001-02 and FY 2002-03, retaining those revenues in the General Fund. For those two suspension years, the SHA is to replace the 40% for local subventions and the TCRF is to receive transfers from the SHA and the PTA so that no TCR program projects are delayed. To provide repayment to the SHA and PTA, AB 438 extended the TIF for two years, FY 2006-07 and FY 2007-08. For those two extension years, AB 438 increased the transfer to the STIP from 40% to 80%, eliminating the TIF local road subvention. STIP revenues from the TIF are available for any STIP purpose, including those that are not eligible for either Federal Highway Trust Fund revenues or State revenues restricted by Article XIX.
- The **Public Transportation Account** was designated by Proposition 116 in 1990 as a trust fund for planning and mass transportation purposes. Its revenues are derived primarily from the state sales tax, including the sales tax on diesel fuel and a portion of the sales tax on gasoline. The STIP receives the portion of PTA revenue that remains after the funding of various non-STIP appropriations, including the formula-based State Transit Assistance program, rail operations and planning. STIP revenues from the PTA may be used for some projects that are not eligible for either Federal Highway Trust Fund revenues or State revenues restricted by Article XIX. These projects include, for example, intercity rail projects (including vehicles) and short-line railroad rehabilitation.

### **Advance Project Development Element**

The Fund Estimate identified \$954 million as available for programming through the Advance Project Development Element (APDE). As required in statute, this amount is calculated as 25% of the amount estimated to be available for the STIP in FY 2007-08 and FY 2008-09, the first two years beyond the five-year STIP period. The statewide APDE amount is subject to division between the STIPs interregional program and the individual county shares according to the regular STIP formulas. The APDE amount is available within the STIP's five years to program for project development (environmental and design work) for projects that otherwise qualify for the STIP. This is not additional funding, and any APDE programming ultimately comes from STIP county or interregional shares. However, the APDE is intended to provide an additional opportunity for the development of shelf-ready projects. In effect the programming of projects through the APDE is an advance of future STIP shares. In addition, the statute provides that the Commission's programming for APDE projects may be above and beyond the base of statewide programming capacity identified in the Fund Estimate.

### **Fund Estimate Assumptions:**

Available programming capacity is determined in the Fund Estimate by estimating available revenues and deducting current commitments against those revenues. The methodology and assumptions used in the 2002 Fund Estimate were reviewed in May, approved by the Commission in June. After Caltrans presented its draft Fund Estimate, the figures and assumptions were reviewed and revised once again before adoption in August.

"Programming capacity" does not represent cash. It represents the amount of new commitments that the Commission may make to projects within the STIP period. For example, cash will be required in one year to meet commitments made in a prior year, and a commitment made this year may require the cash over a period of years. For the State Highway Account, the Fund Estimate methodology uses a "cash flow allocation basis," which schedules funding capacity based upon cash flow requirements and reflects the method used to manage the allocation of capital projects. For other accounts, a modified accrual basis is used.

The Fund Estimate is developed based on existing statute, including the FY 2001-02 Budget and the Transportation Refinancing Plan (AB 438) as described above. In general, the Fund Estimate assumes that future revenues from current sources will follow current trends. Among the most notable revenue assumptions:

- It is assumed the Federal transportation revenues will increase by 20 percent with enactment of the next Federal authorization act. The current act, the Transportation Equity Act for the 21st Century (TEA-21) expires with the Federal fiscal year ending September 30, 2003. The next Federal act will determine Federal funding levels for four of the new STIP's five years. The assumption made here also directly affects the calculation of the 2002 STIP's APDE amount. In each of the last two Federal acts, total apportionments to California have increased by more than 50 percent. Beyond the first year, apportionments are projected to grow by two percent per year.

- It is assumed that the State Highway Account will maintain a “prudent cash reserve” of at least \$140 million.
- A State Highway Account contingency of \$50 million for Budget Change Proposals in FY 2002-03 and FY 2003-04 is included.
- “Partnership” support costs of Caltrans are taken off the top before calculating the amount available for programming. These support costs include oversight on work funded by local sales tax measures, preparation of environmental documents for sales tax measure projects, and oversight on other locally funded projects.
- The Fund Estimate reflects the Administration’s decision to fund a specific list of retrofit soundwall projects from the State Highway Account, off the top and outside the STIP, based upon a statutory commitment to complete those projects (Section 215.5 of the Streets and Highways Code) and a corresponding action in the FY 2000-01 Budget. The amount is estimated at \$226 million.
- The maximum long term loans to the Traffic Congestion Relief Fund from the State Highway Account (SHA) and the Public Transportation Account (PTA) are made, as authorized by AB 438. This includes \$180 million from the SHA, to be repaid in FY 2006-07 (the final year of the 2002 STIP) and \$280 million from the PTA, to be repaid in FY 2007-08 (the first year beyond the 2002 STIP).
- The level of PTA support for intercity rail and bus operations is continued at a base level of \$73.1 million, including \$9.5 million for expanded service on existing routes. The level is not escalated for future years because Amtrak assumes that future gains in efficiency will offset any cost increases.
- The 2002 SHOPP is funded at \$350 million above the baseline level established in the 2000 Ten-Year State Rehabilitation Plan (see Chapter II-D, SHOPP Issues), including \$50 million for the minor program, \$100 million for office building projects, and \$200 million for storm water runoff control.

### **Amendment of STIP Guidelines for 2002 STIP**

On July 12, 2001, prior to the adoption of the Fund Estimate, the Commission adopted amendments to the STIP Guidelines. Under statute, the Guidelines are to serve as “the complete and full statement of the policy, standards, and criteria that the commission intends to use in selecting projects to be included in the state transportation improvement program.” The statutes also call for the Commission to make a reasonable effort to adopt guideline amendments prior to the adoption of each fund estimate.

This year’s amendments addressed nine areas of change:

Current and Four-Year Shares. The most significant of the changes was to specify RTIP programming procedures when the county share period extends beyond the STIP period. Under statute, formula county shares apply to discrete four-year periods, not to individual STIPs. For

the 1998 and 2000 STIPs, the final year of the STIP (FY 2003-04) coincided with the final year of the county share period. For the 2002 STIP and future STIPs, however, the final year of the STIP will not coincide with the end of the county share period. The STIP amendment calls for the Fund Estimate to designate both a “current county share” (representing three years in the 2002 STIP) and the full four-year county share. Each county is guaranteed its “current county share” in each STIP, and requests for funding beyond that current share (up to the amount of the four-year share) would be treated much like county share advances. The amendment also specified the factors the Commission intends to consider in selecting projects for funding the current county share, including advances. Where a region intends to propose a STIP amendment from its current county share balance prior to the next STIP, the amendment calls for the RTIP to identify the region’s intent. The amendment also includes a statement of Commission intent to promote the full use of STIP resources (that is, not leave large amounts of capacity unprogrammed) while still allowing for STIP amendments.

TEA Match. The lump sum match reserves previously programmed under the Guidelines for the Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) programs were extended to include match also for Transportation Enhancement Activities (TEA) projects. The RSTP and CMAQ programs are the two programs created by state law under which Federal funds are apportioned directly to regional agencies for programming. Under the TEA program established by the Commission, a portion of the Federal TEA dollars apportioned to the state are made available for direct programming by regions. The STIP Guidelines have permitted each county to have a lump sum reserve available for allocation to match RSTP and CMAQ projects without first amending the STIP. The reserve as a whole is treated as a project for timely use of funds purposes. This change was requested by the Stanislaus Council of Governments (StanCOG).

Caltrans Right-of-Way Adjustment. This change specifies that the Commission may, for county share purposes, approve a downward adjustment of the amount programmed for a Caltrans project’s right-of-way cost at the time of the construction allocation where the revised cost estimate is more than 20 percent below the programmed amount. Under the guidelines, the Commission does not approve amendments to right-of-way programming except at the beginning of each fiscal year prior to the construction allocation. Under statute, the amount counted for county share purposes is the amount programmed in the most recent STIP, except that if the final estimate is over 120% of the amount originally programmed, the amount shall be adjusted for final expenditure estimates at the time of right-of-way certification. This change was developed at the request of Caltrans. The change anticipated the statutory change that has since been made by AB 608 (Chapter 815, Statutes of 2001), which provides for an adjustment whenever the final estimate is either under 80% or over 120% of the amount originally programmed.

Reimbursement Allocations (AB 872). This change incorporated into the STIP Guidelines the AB 872 Guidelines first adopted by the Commission in March 2000. AB 872 (1999) permitted a local agency to expend its own funds for a STIP project before the Commission’s approval of a project allocation and to be reimbursed after the allocation. It did not, however, require the Commission to approve an allocation it would not otherwise approve.

Cost of Construction Delays. This change calls for each extension request or STIP amendment that would delay a project construction allocation to include a project construction history and to identify any related cost increase and how the increase would be funded. Under statute, if project construction costs are not allocated within the fiscal year they are programmed, the project is deleted from the STIP. The Commission may grant a one-time extension of this deadline if it finds that circumstances beyond the control of the responsible agency justify an extension. Under the guidelines, the Commission approves STIP amendments only for projects scheduled for allocation after the current fiscal year. Projects not meeting the deadline for the current fiscal year require approval of an extension request. This change reflects the Commission's concern that insufficient attention has been given to the cost and funding impacts of construction delays.

Planning, programming and land use. Language was added to the guidelines to make specific reference to existing ties between the RTIP, the regional transportation plan, federal planning requirements, and local land use and development plans. This change reflects a Commission concern that proper attention be given to the relationship between transportation and land use planning.

Five-Year STIP Period. Changes were made throughout the Guidelines, changing references to the STIP and Fund Estimate from four years to five years. This reflects the statutory change from a four-year to a five-year Fund Estimate and STIP made by AB 2829 (2000).

TCR Application as PSR. A change was made to specify that a Traffic Congestion Relief (TCR) program application serves as a project study report for the project phases it covers. This codifies a policy first established by the Commission when reviewing the draft TCR Program guidelines in August 2000.

Remove obsolete or superseded language. The amendments deleted various provisions that, by their terms, applied only to the 1998 and 2000 STIPs.

### **Availability of State-Only Programming Capacity**

According to the Fund Estimate, the 2002 STIP may face greater restrictions on the use of State-only funding, particularly with the loss of TIF revenues and diversion of SHA revenues in the STIP's early years. State-only funding refers to the funding of projects without using Federal funding. State transportation revenues are used first to fund operations, maintenance, and other work that does not qualify for Federal funding, and then to match all Federal funds used for STIP or SHOPP work, usually at a rate of 88.5% Federal to 11.5% State funds. When these needs have been met and all available Federal funds are being used, any remaining balance of State revenue may be used for State-only purposes. These may be for STIP projects that cannot qualify for Federal funding, for STIP projects that are themselves match for non-STIP Federal funds (e.g., RSTP, CMAQ, or Federal transit funds apportioned directly to regions), or for other projects on an elective basis, especially on smaller projects that can benefit most from avoiding Federal procedural requirements.

In adopting the Fund Estimate, the Commission stated that it expects most STIP projects to qualify for Federal funding and will approve the allocation of State only funding for new projects

only in accordance with the criteria in its revised policy. That policy generally gives blanket approval to (1) projects with a total cost of \$750,000 or less; (2) planning, programming, and monitoring activities; (3) regional rideshare and traffic demand management activities; and (4) match for local Federal funds. Other projects may be approved only after a review and approval of the project need for State-only funding, based on an exception request submitted to Caltrans, and verification that sufficient funds are available. The Commission stated its intent to consider advance approvals for State-only funding in the 2002 STIP when RTIPs designate the projects for State only, the projects are consistent with the policy, and appropriate exception requests are submitted to Caltrans for review by December 15, 2001. The Commission's State-only policy also notes that even advance approval in the STIP cannot assure that State-only funds will be available when an allocation is requested. Caltrans is charged with monitoring the use and availability of State-only funds and reporting to the Commission annually with any recommendations for modification of the State-only policy.

### **Caltrans Project Development Expenditure Reporting**

The Commission has focused attention this year on the need for Caltrans to make accurate and timely reports of project development costs for individual projects. This is becoming increasingly important as Caltrans projects that were first programmed after the enactment of SB 45 (1997) are being delivered for construction in greater numbers. Under SB 45, project development costs, as well as support costs for right-of-way and construction, are counted against county and interregional shares unless the project is grandfathered from the 1996 STIP.

Since SB 45, the Commission and Caltrans have implemented satisfactory procedures for the reporting of right-of-way and construction support costs. Under the statutes and the STIP Guidelines, the support costs for each of these components is included together with capital outlay costs for share purposes. Caltrans reports its final construction support cost estimate at the time of the construction allocation. For right-of-way, Caltrans includes support costs with the annual year-end report of final right-of-way estimates that is used for share purposes. For right-of-way, the amount counted is the amount programmed unless the final estimate differs from the programmed amount by more than 20 percent.

For project development work (environmental and design together), the amount counted is also the amount programmed unless the actual cost differs from the programmed amount by more than 20 percent. The Commission and Caltrans have agreed that final project development cost estimates to be used for share purposes should be reported at the time of construction vote and a format for that purpose has been in place for some time. In December 2001, Caltrans reported that it had completed a compilation of historical expenditure data and reported final project development cost estimates for projects that had previously been allocated for construction. The Department reported that it would begin the reporting of final project development cost estimates at the time of construction allocation, beginning with the January 2002 meeting.

### **County and Interregional Shares**

On the following pages are the complete Tables for County and Interregional Shares, as published with the adopted 2002 Fund Estimate. As noted, the carryover balances included STIP amendments and Commission allocations through July 2001. The actual share capacities

available for the 2002 RTIPs, the 2002 ITIP, and the 2002 STIP will be modified in the interim by STIP amendments and by allocations that differ from prior programming. The individual columns in the tables are described below:

### **Carryover Balances**

Unprogrammed Balance (Balance Advanced). These 2 columns identify the current county share balance to be carried forward. All programmed APDE projects have been deducted from the county share in arriving at this balance.

Projects Lapsed. This is the amount that has been deducted from each share for projects that were deleted from the STIP because they were not allocated before the end of the fiscal year programmed or by the time of any extension granted. This amount is to be added back into the balance available for the new county share period.

### **2002 STIP Share**

New 3-Year Formula Share. This is each county's distribution of the 2002 STIP's new programming capacity.

Total Current Share (Advances Remaining). This is the sum of the carryover balance, the return of lapsed funds, and the new 3-year formula share. It represents the amount guaranteed to be available for programming from each share. It assumes that all currently programmed APDE projects are deducted from the county share. If any current APDE project will remain an APDE project in the 2002 STIP (for example, the project will not be programmed for right-of-way or construction), the amount for that APDE project may be added back to the Total Current Share.

### **Potential Advance of County Share**

4th Year Formula Share. This is each county's distribution of the Fund Estimate amount for FY 2007/08, which is the fourth year of the 4-year county share period defined in statute and the first year beyond the 2002 STIP period. This amount is guaranteed within the 4-year county share period and is potentially available, though not guaranteed, in the 2002 STIP. RTIPs may identify projects for current programming from this amount, identifying such projects separately.

Potential Total. This is the sum of the Total Current Share Available and the 4th Year Formula Share. It represents the maximum that may be programmed in a county in a region with over 1 million population (excluding APDE programming). Smaller regions may, in addition, propose an advance for a single larger project, provided that the advance does not exceed 200% of the county share for the current 4-year period (that is, 200% of the sum of the New 3-Year Formula Share and 4th Year Formula Share).

### **Advance Project Development Element Shares**

2002 STIP APDE Share. This represents the maximum that may be programmed for APDE projects in the 2002 STIP. This is a new total, replacing (not adding to) the APDE share for the 2000 STIP. Any carryover 2000 STIP APDE project that will remain in the 2002 STIP (that is, no right-of-way or construction is being programmed) is to be deducted from this share.

Current APDE. This is the total of all APDE projects currently programmed, regardless of whether the projects will or will not remain APDE projects in the 2002 STIP.

Net Now Available. This is the 2002 STIP APDE share less the total of all APDE projects currently programmed.

**ADOPTED 2002 STIP FUND ESTIMATE, COUNTY AND INTERREGIONAL SHARES**  
**Includes STIP Amendments and Allocations Through July 2001**

(\$1,000's)

<u>County</u>	<u>Carryover Balances</u>		<u>Projects Lapsed</u>	<u>2002 STIP Balances</u>		<u>Advances Remaining</u>
	<u>Unprogr'd Balance</u>	<u>Balance Advanced</u>		<u>Formula 3-Yr Share</u>	<u>Total Available</u>	
Alameda	0	19	4,031	98,345	102,357	0
Alpine/Amador/Calaveras	12,974	0		16,648	29,622	0
Butte	1,483	0	1,615	18,807	21,905	0
Colusa	1,015	0		4,958	5,973	0
Contra Costa	9,667	0	420	63,743	73,830	0
Del Norte	0	2,691		4,743	2,052	0
El Dorado LTC	5,142	0		12,036	17,178	0
Fresno	0	85,421	731	67,957	0	16,733
Glenn	0	126	177	5,293	5,344	0
Humboldt	15,398	0	204	19,034	34,636	0
Imperial	22,393	0		31,799	54,192	0
Inyo	2,877	0	144	25,811	28,832	0
Kern	1,163	0		88,948	90,111	0
Kings	7,082	0		13,340	20,422	0
Lake	7,383	0	201	8,147	15,731	0
Lassen	0	1,168	28	12,101	10,961	0
Los Angeles	60,539	0	8,842	602,827	672,208	0
Madera	501	0		12,077	12,578	0
Marin	619	0	181	18,626	19,426	0
Mariposa	141	0		4,928	5,069	0
Mendocino	449	0	21	17,966	18,436	0
Merced	0	217	542	21,703	22,028	0
Modoc	0	0		6,426	6,426	0
Mono	0	2,957		19,112	16,155	0
Monterey	1,639	0	13	34,914	36,566	0
Napa	4,039	0		11,542	15,581	0
Nevada	7,742	0	1	10,078	17,821	0
Orange	129,566	0		181,767	311,333	0
Placer TPA	0	8,331	2	19,198	10,869	0
Plumas	956	0	159	7,284	8,399	0
Riverside	31,202	0	8,300	130,115	169,617	0
Sacramento	0	0	507	84,801	85,308	0
San Benito	2,604	0	74	6,328	9,006	0
San Bernardino	40,269	0	13,798	169,337	223,404	0
San Diego	67,636	0		198,196	265,832	0
San Francisco	5	0	391	50,254	50,650	0
San Joaquin	26,301	0	500	44,208	71,009	0
San Luis Obispo	2,946	0		35,536	38,482	0
San Mateo	3,677	0	1,297	51,753	56,727	0
Santa Barbara	20,981	0	418	40,600	61,999	0
Santa Clara	1,825	0	3,326	115,142	120,293	0
Santa Cruz	1,007	0	205	20,228	21,440	0
Shasta	10,484	0		20,555	31,039	0
Sierra	1,478	0	277	3,429	5,184	0
Siskiyou	0	0	1	14,275	14,276	0
Solano	2,969	0	5,012	30,183	38,164	0
Sonoma	6,621	0	455	36,843	43,919	0
Stanislaus	20,360	0	85	34,236	54,681	0
Sutter	4,037	0		7,740	11,777	0
Tahoe RPA	5,311	0	1,158	5,150	11,619	0
Tehama	0	2,745	173	10,318	7,746	0
Trinity	6	0	424	7,419	7,849	0
Tulare	43,309	0	5,802	41,790	90,901	0
Tuolumne	0	5,333		8,433	3,100	0
Ventura	0	13,056		59,562	46,506	0
Yolo	0	2	66	16,485	16,549	0
Yuba	0	0		5,926	5,926	0
<b>Statewide Regional</b>	<b>585,796</b>	<b>122,066</b>	<b>59,581</b>	<b>2,709,000</b>	<b>3,249,044</b>	<b>16,733</b>
<b>Interregional</b>	<b>0</b>	<b>194,086</b>	<b>3,426</b>	<b>903,000</b>	<b>712,340</b>	<b>0</b>
<b>Statewide Total</b>	<b>585,796</b>	<b>316,152</b>	<b>63,007</b>	<b>3,612,000</b>	<b>3,961,384</b>	<b>16,733</b>

**ADOPTED 2002 STIP FUND ESTIMATE, COUNTY AND INTERREGIONAL SHARES**  
**Includes STIP Amendments and Allocations Through July 2001**

(\$1,000's)

<b>County</b>	<b>Potential Advance of County Share</b> <b>(For Share Period FY 04/05-07/08)</b>		<b>Advance Project Development Element Shares</b>		
	<b>4th Year Share</b>	<b>Potential Total</b>	<b>2002 STIP Total</b>	<b>Current APDE</b>	<b>Net Available</b>
Alameda	64,229	166,586	25,975	3,000	22,975
Alpine/Amador/Calaveras	10,873	40,495	4,397		4,397
Butte	12,283	34,188	4,967	500	4,467
Colusa	3,237	9,210	1,309		1,309
Contra Costa	41,631	115,461	16,836		16,836
Del Norte	3,097	5,149	1,253		1,253
El Dorado LTC	7,860	25,038	3,179		3,179
Fresno	44,383	27,650	17,949		17,949
Glenn	3,458	8,802	1,398		1,398
Humboldt	12,431	47,067	5,027		5,027
Imperial	20,767	74,959	8,399		8,399
Inyo	16,857	45,689	6,817		6,817
Kern	58,092	148,203	23,493		23,493
Kings	8,712	29,134	3,523		3,523
Lake	5,322	21,053	2,152		2,152
Lassen	7,904	18,865	3,196	1,168	2,028
Los Angeles	393,707	1,065,915	159,219	11,623	147,596
Madera	7,887	20,465	3,190		3,190
Marin	12,164	31,590	4,919		4,919
Mariposa	3,218	8,287	1,302		1,302
Mendocino	11,734	30,170	4,745		4,745
Merced	14,175	36,203	5,732		5,732
Modoc	4,197	10,623	1,697		1,697
Mono	12,482	28,637	5,048		5,048
Monterey	22,803	59,369	9,222	2,683	6,539
Napa	7,538	23,119	3,049		3,049
Nevada	6,581	24,402	2,662		2,662
Orange	118,713	430,046	48,008		48,008
Placer TPA	12,539	23,408	5,071	685	4,386
Plumas	4,757	13,156	1,924		1,924
Riverside	84,977	254,594	34,366		34,366
Sacramento	55,383	140,691	22,398		22,398
San Benito	4,133	13,139	1,671		1,671
San Bernardino	110,594	333,998	44,725		44,725
San Diego	129,442	395,274	52,347		52,347
San Francisco	32,821	83,471	13,273		13,273
San Joaquin	28,873	99,882	11,676		11,676
San Luis Obispo	23,209	61,691	9,386	200	9,186
San Mateo	33,800	90,527	13,669		13,669
Santa Barbara	26,516	88,515	10,723		10,723
Santa Clara	75,200	195,493	30,411		30,411
Santa Cruz	13,211	34,651	5,343		5,343
Shasta	13,425	44,464	5,429		5,429
Sierra	2,239	7,423	906		906
Siskiyou	9,323	23,599	3,770		3,770
Solano	19,713	57,877	7,972	2,250	5,722
Sonoma	24,062	67,981	9,731		9,731
Stanislaus	22,360	77,041	9,042		9,042
Sutter	5,054	16,831	2,044		2,044
Tahoe RPA	3,363	14,982	1,360		1,360
Tehama	6,738	14,484	2,725	1,000	1,725
Trinity	4,845	12,694	1,959		1,959
Tulare	27,294	118,195	11,038		11,038
Tuolumne	5,507	8,607	2,227		2,227
Ventura	38,901	85,407	15,732		15,732
Yolo	10,766	27,315	4,354		4,354
Yuba	3,870	9,796	1,565		1,565
<b>Statewide Regional</b>	<b>1,769,250</b>	<b>5,001,561</b>	<b>715,500</b>	<b>23,109</b>	<b>692,391</b>
<b>Interregional</b>	<b>589,750</b>	<b>1,302,090</b>	<b>238,500</b>	<b>5,895</b>	<b>232,605</b>
<b>Statewide Total</b>	<b>2,359,000</b>	<b>6,303,651</b>	<b>954,000</b>	<b>29,004</b>	<b>924,996</b>



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### C. 2001 Report on County and Interregional Share Balances

Section 188.10 of the Streets and Highways Code, added by SB 45 (Statutes of 1997), mandates that the California Transportation Commission (Commission) maintain a record of State Transportation Improvement Program (STIP) county share balances and that it make the balances through the end of each fiscal year available for review by regional agencies not later than August 15 of each year. This year, the Commission issued its Fourth Annual Report of STIP Balances, County and Interregional Shares.

This year's report was issued August 3, 2001, and included share balances through the end of July 2001, rather than through the end of the fiscal year in June. These balances constituted the carryover base for the 2002 STIP Fund Estimate, which was adopted at the Commission's August 22-23, 2001 meeting. These prior balances were based on the 2000 STIP Fund Estimate, which included program capacity through FY 2003-04. The new 2002 STIP Fund Estimate added three new fiscal years, with program capacity through FY 2006-07.

The report also reflected the status of the STIP Advance Project Development Element (APDE). The APDE was created by AB 1012 (Statutes of 1999) and, in effect permits an advance of county or interregional share to the extent that the advance is used for project environmental or design work. All programmed APDE projects were deducted from current STIP share balances, and the report identified the current APDE projects and APDE total for each share.

In addition, this year's summary identified the amount of each share that has lapsed under the STIP's timely use of funds provisions. These amounts lapsed over the last three fiscal years and represents funding that was programmed but not allocated within the year of programming or within an extension period granted by the Commission. Under the Commission's STIP Guidelines, this funding will be added back to the funding available for each share in the 2002 STIP.

On the following page is the report's single-page summary of the status of all county shares and the interregional share. The report itself also included a summary for each individual county share and the interregional share. For each share, the summary identifies all shares added by fund estimates, all adjustments, and a listing of each project programmed or allocated from the share.

In addition, the report identified \$1.396 billion remaining programmed for grandfathered 1996 STIP projects as of June 30, 2001. This total includes \$937 million for regional projects, \$368 million for interregional road projects, \$59 million for intercity rail projects, and \$32 million for other projects with special source funding.

**SUMMARY OF STIP SHARE BALANCES**  
**Including STIP Amendments and**  
**California Transportation Commission Allocations Through July 2001**  
 (\$1,000's)

County	Share	Programmed	Unproar'd	Advance	Authority	Projects	Projects
Alameda	254,327	254,346	0	19	13,175	3,000	4,031
Alpine - Amador - Calaveras	30,331	17,357	12,974	0	2,161		
Butte	35,289	33,806	1,483	0	2,540	500	1,615
Colusa	9,442	8,427	1,015	0	652		
Contra Costa	145,745	136,078	9,667	0	8,207		420
Del Norte	8,531	11,222	0	2,691	622		
El Dorado LTC	20,619	15,477	5,142	0	1,504		
Fresno	118,092	203,513	0	85,421	8,666		731
Glenn	13,019	13,145	0	126	714		177
Humboldt	46,786	31,388	15,398	0	2,598		204
Imperial	59,120	36,727	22,393	0	4,037		
Inyo	56,329	53,452	2,877	0	3,418		144
Kern	187,747	186,584	1,163	0	11,362		
Kings	30,121	23,039	7,082	0	1,650		
Lake	17,899	10,516	7,383	0	1,072		201
Lassen	29,015	30,183	0	1,168	1,568	1,168	28
Los Angeles	1,337,721	1,277,182	60,539	0	83,452	11,623	8,842
Madera	19,416	18,915	501	0	1,416		
Marin	60,374	59,755	619	0	2,715		181
Mariposa	7,234	7,093	141	0	528		
Mendocino	33,260	32,811	449	0	2,422		21
Merced	38,584	38,801	0	217	2,813		542
Modoc	15,899	15,899	0	0	860		
Mono	47,095	50,052	0	2,957	2,504		
Monterey	99,730	98,091	1,639	0	4,661	2,683	13
Napa	24,500	20,461	4,039	0	1,547		
Nevada	18,022	10,280	7,742	0	1,315		1
Orange	351,809	222,243	129,566	0	22,703		
Placer TPA	38,949	47,280	0	8,331	2,128	685	2
Plumas	16,431	15,475	956	0	976		159
Riverside	241,319	210,117	31,202	0	15,555		8,300
Sacramento	159,789	159,789	0	0	10,977		507
San Benito	12,131	9,527	2,604	0	778		74
San Bernardino	368,980	328,711	40,269	0	21,529		13,798
San Diego	473,039	405,403	67,636	0	26,179		
San Francisco	96,869	96,864	5	0	7,094		391
San Joaquin	103,485	77,184	26,301	0	5,752		500
San Luis Obispo	89,722	86,776	2,946	0	4,681	200	
San Mateo	107,771	104,094	3,677	0	7,171		1,297
Santa Barbara	97,297	76,316	20,981	0	5,515		418
Santa Clara	209,007	207,144	1,863	0	15,486		3,326
Santa Cruz	43,273	42,266	1,007	0	2,740		205
Shasta	51,073	40,589	10,484	0	2,762		
Sierra	8,097	6,619	1,478	0	453		277
Siskiyou	32,917	32,917	0	0	1,927		1
Solano	49,152	46,183	2,969	0	3,950	2,250	5,012
Sonoma	84,439	77,818	6,621	0	4,774		455
Stanislaus	70,214	49,854	20,360	0	4,341		85
Sutter	14,746	10,709	4,037	0	979		
Tahoe RPA	11,008	5,697	5,311	0	652		1,158
Tehama	21,705	24,450	0	2,745	1,368	1,000	173
Trinity	22,806	22,800	6	0	993		424
Tulare	97,303	53,994	43,309	0	5,392		5,802
Tuolumne	15,484	20,817	0	5,333	1,129		
Ventura	134,187	147,243	0	13,056	7,873		
Yolo	31,229	31,231	0	2	2,126		66
Yuba	11,483	11,483	0	0	838		
<b>Statewide Regional</b>	<b>5,829,961</b>	<b>5,366,193</b>	<b>585,834</b>	<b>122,066</b>	<b>357,000</b>	<b>23,109</b>	<b>59,581</b>
Interregional	1,853,891	2,047,977	0	194,086	119,000	5,895	3,426
<b>TOTAL</b>	<b>7,683,852</b>	<b>7,414,170</b>	<b>585,834</b>	<b>316,152</b>	<b>476,000</b>	<b>29,004</b>	<b>63,007</b>

Source: CTC 2001 Report of STIP Balances, County and Interregional Shares, August 3, 2001.



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### D. State Highway Operation and Protection Program Issues

State law requires Caltrans to prepare a Ten-Year State Rehabilitation Plan for all State highways and bridges, to be updated biennially. The Plan is to be submitted to the California Transportation Commission for review and comments and be transmitted to the Governor and Legislature by May 1 of even-numbered years. The Plan is to include specific milestones and quantifiable goals, strategies to control cost and improve efficiency, and a cost estimate for at least the first five years. According to statute, the Plan is to be the basis for the annual Caltrans budget request and for the Commission's adoption of the biennial State Transportation Improvement Program (STIP) fund estimates.

With the concurrence of the Commission, Caltrans has expanded the Plan to include all elements programmed in the biennial State Highway Operation and Protection Program (SHOPP), including Traffic Safety and Traffic Operations. The SHOPP is a biennial four-year program of projects designed to maintain the safety and integrity of the State highway system. It is prepared by Caltrans, submitted to the Commission by January 31 of even-numbered years, and approved by the Commission and submitted to the Governor and Legislature by April 1.

The initial Ten-Year State Rehabilitation Plan (or SHOPP Plan) prepared in 1998 identified specific goals and targets in a number of different areas. Probably the most significant ones, from the Commission's perspective, were the goal to reduce deteriorated pavement to 5,500 lane-miles by 2008, and the goal to use longer-life pavement rehabilitation on roadways where the average daily traffic (ADT) exceeds 150,000 or average daily truck volume exceeds 15,000. Caltrans projected that reducing the pavement backlog to 5,500 lane-miles would allow it to maintain and rehabilitate system pavements at the lowest overall annual cost. The identified thresholds for using longer-life pavement would provide high user benefit and the most cost effective rehabilitation strategy.

#### **2000 SHOPP Plan**

The current Ten-Year SHOPP Plan is the first update, submitted to the Commission in March 2000. In that Plan, Caltrans identified the following accomplishments of the first two years, as compared with the goals of the original 1998 Plan:

**SAFETY**

1998 Plan	Accomplishments
Install 100 miles of new median barrier each year (200 miles during first two years of Plan).	Installed 199 miles of new median barriers.
Upgrade 5 miles of metal median barriers to concrete each year (total of 10 miles during first two years of Plan).	Upgraded 39 miles of metal median barriers to concrete.
Complete 12 “Clean Up the Roadside Environment” (CURE) projects each year (24 projects during first two years).	Completed 6 CURE projects.
Eliminate cable median barriers.	Eliminated 13 miles of cable median barriers and replaced with current standard.

**ROADWAY REHABILITATION**

1998 Plan	Accomplishments
Rehabilitate 5,100 lane miles of distressed pavements (includes CAPM treatments).	Rehabilitated 5,766 lane miles of pavement.
Goal of 1800 lane miles over 10-year period. Implement pilot program to test new materials and construction methods for longer-life pavement by 99/00.	Constructed 10 lane miles of longer-life pavement and awarded contracts for 50 more lane miles. Pilot program implemented.
Rehabilitate 108 bridges.	Awarded 130 construction contracts for bridge rehabilitation.
Complete 21 bridge scour projects.	Awarded 9 construction contracts for bridge scour projects.
No measurable objective established	Completed 12 “protective betterment” projects.

**ROADSIDE REHABILITATION**

1998 Plan	Accomplishments
Restore 1,040 acres of highway landscaping.	Restored 1,089 acres of highway landscaping.
Install 380 acres of new landscaping over 8-year period (about 45 acres per year). Two-year total: 90 acres.	Installed 207 acres of new landscaping at four locations.
Complete workers’ access improvements at 1500 locations within 10 year (150 sites per year). Total of 300 sites over two-year period.	Improved access for maintenance workers at 300 locations in urbanized areas.
Transfer 10 mitigation sites to other agencies by 99/00.	Transferred 11 mitigation locations totaling 708 acres to other agencies.
No measurable objective established.	Rehabilitated one safety roadside rest.

**TRAFFIC OPERATIONS**

1998 Plan	Accomplishments
No measurable objective identified.	Improved 2 traffic management centers (TMCs); installed closed circuit TV cameras at 110 locations; installed 46 miles of fiber optic cable; installed TMC signal interconnections at 40 locations.
No measurable objective identified.	Constructed 15.9 lane miles of passing lanes, 4.1 lane miles of auxiliary lanes; improved ramps and interchanges at 7 locations; improved intersections and signals at 14 locations; completed geometric improvements along 5.3 centerline miles of highway.
Improve two stations every three years.	Improved one commercial weigh station.
Replace obsolete lighting facilities by 1999/2000.	Completed 8 signs and lighting rehabilitation projects.
No measurable objective identified.	Upgraded 14 maintenance stations.

The 2000 SHOPP Plan also identified several areas of concern that need additional analysis before Caltrans can make a recommendation on the funding needed and the time schedule to implement each item. The Plan said that Caltrans will complete additional studies on each item and incorporate the findings in the 2002 SHOPP Plan, due in March 2002. The areas of concern include:

- Storm water runoff compliance.
- Recurring storm damage locations and repair.
- New and rehabilitated office buildings.
- New safety roadside rest areas.
- Corridor rehabilitation development strategies.
- Traffic operations strategies.
- Hazardous waste removal.

**Increases in SHOPP Funding Levels**

The 2000 SHOPP Plan identified a total funding need of \$11.1 billion over the ten-year period ending FY 2009-10. At the same time, however, Caltrans identified a major increase in funding needed for the Traffic Safety program, due in large part to a 1999 updating of the accident cost factors used to calculate the Safety Index. At first, Caltrans proposed to fund the increase in Traffic Safety by reducing funding for the SHOPP’s other three categories, Roadway Rehabilitation, Roadside Rehabilitation, and Operations. By the time the Commission adopted the revised 2000 STIP Fund Estimate in June 2000, Caltrans and the Commission had agreed to add another \$390 million to the 2000 SHOPP capacity.

For the 2002 Fund Estimate, Caltrans proposed and the Commission approved about \$350 million in new SHOPP capacity increases. These included:

- \$50 million added for the SHOPP minor program. This SHOPP subprogram, designated for projects with a cost under \$750,000, was increased from \$90 to \$100 million annually. According to Caltrans, this increase will be targeted to expanding the involvement of small business in transportation projects in an effort to comply with the Governor's Executive Order D-37-01.
- \$100 million added for office building projects. This would cover anticipated costs for the preliminary and working drawing phases of future buildings to be approved by the Legislature. It is assumed that the construction phase would be funded from lease revenue bonds, to be repaid through future operations costs.
- \$200 million added for storm water runoff control. These are the resources estimated to be needed in the three new years to ensure compliance with the conditions and requirements set forth by the State Water Resources Control Board and National Pollution Discharge Elimination System (NPDES) regulations (see Chapter I-H, Financing Storm Water Runoff).

### **Delegated SHOPP Allocation Authority**

Under State law, the Commission allocates capital outlay funds for all STIP and SHOPP projects consistent with appropriations in the Budget Act. The Commission may allocate funds for projects not in the STIP or SHOPP only under emergency conditions. Since the creation of the Commission, the authority to allocate funds for emergency projects has always been delegated to Caltrans, with all such allocations to be reported to the Commission at its next meeting.

In March 1999, the Commission extended its delegation of allocation authority to Caltrans for all SHOPP pavement rehabilitation projects on a one-year trial basis. The purpose of the delegation was to streamline and accelerate the construction of State highway pavement rehabilitation projects. In March 2000, the Commission extended the term of this delegation until March 2001 and broadened it to include Traffic Safety projects.

In March 2001, as part of a comprehensive reconsideration and restructuring of all delegations, the Commission turned down a Caltrans proposal to broaden the delegation to other categories and to make it permanent. Instead, the Commission voted to extend the prior delegation for pavement rehabilitation and Traffic Safety projects for another two years and asked for a review of the policy frameworks for the SHOPP bridge rehabilitation, roadside rehabilitation and Minor A programs before broadening the delegation further.



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### E. FY 2000-01 Caltrans Delivery

All State transportation funds, including all federal transportation funds received by the State, are appropriated by the Legislature, usually through the annual Budget Act. The funds are budgeted in three broad categories:

- capital outlay (Caltrans' right-of-way and construction costs),
- support (Caltrans' operating costs, including project development), and
- local assistance (State payments to local agencies).

Funds for capital outlay and local assistance are appropriated by the Legislature, subject to allocation by the Commission.

The transportation funds subject to Commission allocation are assigned in various State programs such as the State Transportation Improvement Program (STIP) and the State Highway Operations and Protection Program (SHOPP), where the Commission exercises some programming authority, or by local agencies with no Commission programming involvement, such as the federal Regional Surface Transportation Program (RSTP) and the Congestion Mitigation and Air Quality (CMAQ) program. Funds are allocated either by the Commission at its monthly meetings directly to projects that are ready for expenditure or by Caltrans utilizing authority delegated by the Commission.

Timely use of transportation funds is of great concern to the Commission, the Governor, and the Legislature. The Legislature in passing SB 45 (Chapter 622, 1997) imposed the first "use-it-or-lose-it" provisions on STIP funded projects. The Legislature expanded "use-it-or-lose-it" provisions to CMAQ and RSTP local assistance funds with the passage of AB 1012 (Chapter 783, 1999). **Caltrans has dedicated considerable effort toward improving delivery of transportation projects.**

#### STIP Projects

For FY 2000-01, Caltrans committed to deliver forty-six STIP projects valued at \$260.8 million. This was a significantly smaller commitment than for FY 1999-00 when Caltrans committed to deliver 131 projects valued at \$767.7 million. This significantly smaller commitment was caused by the record level of STIP project rescheduling to outer-years that occurred at Commission meetings in March, May and June 2000, prior to the lock down of the FY 2000-01 delivery commitment. Caltrans delivered all but one of these forty-six projects (it was valued at only \$550,000), for an overall **98% STIP delivery rate**. Under provisions of SB 45, and the Commission's STIP Guidelines, STIP funds not allocated during the fiscal year lapse unless the Commission grants a one-time only extension of up to 20 months. Caltrans requested and the Commission granted a one-time extension for the project that was not delivered in the fiscal year. Caltrans did not lapse any STIP projects in FY 2000-01. During FY 1999-00 Caltrans lapsed two projects valued at \$3.0 million. Caltrans **"advance delivered"**

**three projects valued at \$15.5 million** into FY 2000-01 to more than make up for the one allocation extension request. Taking into account the advance delivery effort by Caltrans, a net overall delivery of 104.4% for the fiscal year was achieved. Caltrans also delivered four projects valued at \$13.7 million in FY 2000-01 that were to be delivered in prior fiscal years but received delivery extensions from the Commission.

The following chart shows how the Caltrans STIP delivery commitment was realized in FY 2000-01 and compares it against FY 1999-00 delivery:

	2000-01 Fiscal Year		1999-00 Fiscal Year	
	Dollars	Projects	Dollars	Projects
Programmed	\$260,785,000	46	\$767,688,000	131
Delivered in prior FYs	\$ 45,495,000	7	\$ 18,130,000	8
Delivered in FY	\$214,740,000	38	\$635,995,000	101
Time extensions	\$ 550,000	1	\$110,522,000	20
Lapsed	\$ 0	0	\$ 3,041,000	2
Advance delivered	\$ 15,483,000	3	\$115,252,000	11
Prior FY extensions	\$ 13,743,000	4	NA	NA

Again, in March, May and June 2001, a high level of projects were rescheduled to outer-years. The Commission approved 13 STIP amendments involving 53 projects that delayed a total of \$611 million into subsequent STIP years. This is slightly less than the 14 STIP amendments involving 60 projects and totaling \$788 million in March, May and June 2000. Most of the delays were from one fiscal year to the next; however, some of the delays were two fiscal years or longer. "Delays" are neither precise nor absolute. A delay from one fiscal year to the next can be as short as one month or as long as 23 months. Similarly, a "two-year" delay can range from 13 months to 35 months. Moreover, it is conceivable that some delays are building in an added margin to avoid subsequent rescheduling requests; it is also conceivable that for some projects, subsequent delays will occur.

During the 2001 project delivery cycle, the Commission took a particular interest in projects that experienced prior delays. At its June 2001 meeting, the Commission closely examined seventeen projects with one or more prior delays. Caltrans was the lead agency for fourteen of the projects; the City of Santa Cruz for two projects and the County of Santa Cruz for one project. Three Caltrans projects had four identified prior delays; four Caltrans and one County of Santa Cruz project had two prior identified delays; and the remaining eight projects had at least one identified prior delay. The lead agencies were asked to indicate the confidence level of meeting the new delivery commitments if the requested delays were granted. Caltrans indicated it had "high" confidence in meeting the new delivery commitments for 12 of its 14 projects and indicated that the delivery commitment for the Hayward Bypass and the Route 238 Connector projects in Alameda County would need to be reevaluated and revised during the 2002 STIP cycle. The two City of Santa Cruz and the one County of Santa Cruz

project were given a “medium” confidence level due to the environmental issues involved. The Commission approved all the delays with the understanding that the Hayward Bypass and the Route 238 Connector projects in Alameda County would be reevaluated and revised during the 2002 STIP cycle and noted that STIP project delays will definitely serve to maintain a relatively higher cash balance in the State Highway Account.

**SHOPP Projects**

For FY 2000-01, Caltrans committed to deliver 167 SHOPP projects for \$646.4 million. Caltrans also amended into FY 2000-01 and delivered an additional 90 projects worth \$565.7 million. Caltrans delivered all but 15 projects worth \$105.3 million for an **overall 94.2% project delivery rate for the SHOPP**. The FY 2000-01 SHOPP delivery tracks very well and is very consistent with the FY 1999-00 SHOPP delivery. The following chart shows how the SHOPP delivery commitment was realized and compares FY 2000-01 against FY 1999-00 delivery:

	<b><u>FY 2000-01 SHOPP Delivery</u></b>			
	<b># of Projects</b>	<b>\$ Value of Projects</b>	<b>% of Proj's</b>	<b>% of \$</b>
Programmed	167	\$ 646,411,000		
Amended in	<u>90</u>	<u>\$ 565,710,000</u>		
Total Program	257	\$1,212,121,000	100.0%	100.0%
Delivered	<u>242</u>	<u>\$1,106,850,000</u>	<u>94.2%</u>	<u>91.3%</u>
Undelivered	15	\$ 105,271,000	5.8%	8.7%

	<b><u>FY 1999-00 SHOPP Delivery</u></b>			
	<b># of Projects</b>	<b>\$ Value of Projects</b>	<b>% of Proj's</b>	<b>% of \$</b>
Programmed	225	\$ 843,566,000		
Amended in	<u>44</u>	<u>\$ 190,738,000</u>		
Total Program	269	\$1,034,304,000	100.0%	100.0%
Delivered	<u>258</u>	<u>\$ 958,204,000</u>	<u>95.9%</u>	<u>92.6%</u>
Undelivered	11	\$ 76,100,000	4.1%	7.4%

The majority of the undelivered SHOPP projects are expected to be delivered in FY 2001-02, but some may be deleted from the program. Caltrans **"advance delivered" 7 projects worth \$29.3 million** of future SHOPP delivery into FY 2000-01 **to make up** for some of the undelivered projects and funds. Taking into account the advance delivery efforts by Caltrans, a **net overall delivery of 96.9% for the fiscal year was achieved**. Depending on which of the rates of delivery is considered--95.9% or 96.9%--it is fair to conclude that **FY 2000-01 was a year of high output and achievement**. The following chart shows how the delivery dynamic changes for the SHOPP delivery effort (including the advanced delivery projects):

	<b># of Projects</b>	<b>\$ Value of Projects</b>	<b>% of Proj's</b>	<b>% of \$</b>
Programmed	167	\$ 646,411,000		
Amended in	<u>90</u>	<u>\$ 565,710,000</u>		
Total Program	257	\$1,212,121,000	100.0%	100.0%
Delivered	242	\$1,106,850,000		
Advanced Delivery	<u>7</u>	<u>\$ 29,308,000</u>		
Total Delivery	249	\$1,136,158,000	96.9%	93.7%

There are other types of projects not included in the Commission-approved SHOPP, but represent a delivery effort by Caltrans and, for recordkeeping purposes, are kept under the SHOPP umbrella. These categories of projects include: minor projects, emergency projects allocated by Caltrans under Commission Resolution G-11, Seismic Retrofit Phase I and Phase II projects also allocated by Caltrans under Resolution G-11, and SHOPP-administered TEA projects. The following table lists FY 2000-01 delivery for the above listed projects and compares it against FY 1999-00 delivery:

**FY 2000-01 SHOPP Delivery**

	<b># of Projects</b>	<b>\$ Value of Projects</b>
Minor Projects	219	\$ 97,069,000
Emergency	53	\$ 26,795,000
Phase I	2	\$ 5,165,000
Phase II	11	\$ 49,272,000
SHOPP TEA	<u>19</u>	<u>\$ 11,477,000</u>
Total Additional SHOPP	304	\$190,411,000

**FY 1999-00 SHOPP Delivery**

	<b># of Projects</b>	<b>\$ Value of Projects</b>
Minor Projects	218	\$ 95,174,000
Emergency	76	\$ 44,865,000
Phase I	1	\$ 677,000
Phase II	13	\$ 17,703,000
SHOPP TEA	<u>7</u>	<u>\$ 2,922,000</u>
Total Additional SHOPP	315	\$161,341,000

As a point of interest, the number of minor and emergency projects (272) is close to the total number of SHOPP major projects (249), but the dollar value is just 10.9% (\$123.9 million versus \$1.1 billion).

**Annual Right-of-Way Allocation**

Commission Resolution (G-91-1) authorizes Caltrans to sub-allocate funds from the Commission's yearly allocation for the total Right-of-Way Program to individual projects for the acquisition of right-of-way, relocation of utilities, and other necessary related right-of-way activities. Caltrans is also

authorized to allot funds for acquisition of hardship and protection parcels when circumstances warrant such acquisitions. At its June 2000 meeting, the Commission allocated \$195 million for the FY 2000-01 Caltrans Right-of-Way Program. Caltrans was not as successful in FY 2000-01 as in FY 1999-00 in expending the right-of-way allocation. Caltrans expended only \$168 million or 86% of its yearly allocation in FY 2000-01 versus \$190 million plus a supplemental allocation of \$10 million for a total of \$200 million or 105% of its yearly allocation in FY 1999-00. Caltrans was not able to deliver the Los Angeles Route 1 Pacific Coast Highway Alameda Corridor grade separation project that involves acquiring property from an oil refinery in the vicinity of the project. Caltrans is evaluating design options to lessen the impacts on the oil refinery property.

The following table summarizes Caltrans FY 2000-01 Right-of-Way program activities:

<u>Category</u>	<u>Annual Allocation</u>	<u>Use of Allocation</u>
Major projects	\$153,000,000	\$136,000,000
Minor projects	\$ 5,000,000	\$ 6,000,000
Post-Certifications	\$ 20,000,000	\$ 20,000,000
Hardships	\$ 7,000,000	\$ 2,000,000
Inverse	<u>\$ 10,000,000</u>	<u>\$ 4,000,000</u>
Total	\$195,000,000	\$168,000,000

### Environmental Document Delivery

In a given year, Caltrans must work both on environmental documents scheduled for completion in that year as well as on environmental documents scheduled for completion one, two or even three years out into the future. However, tracking completion of environmental documents in the current year is a particularly important early warning device to flag possible delays of future construction projects in later years. For the past four years, Caltrans has under-delivered STIP environmental documents planned for each of the four fiscal years in question:

- for FY 1997-98, Caltrans **planned to deliver 52** environmental documents, but **only 19 were delivered**; the remaining **33 undelivered documents** rolled forward, mostly to FY 1998-99, but some further out.
- for FY 1998-99, Caltrans **planned to deliver 63** environmental documents (including most of those from FY 1997-98), but **only 12 were delivered**. The remaining **51 undelivered documents rolled forward**, many to FY 1999-00, but some further out.
- for FY 1999-00, Caltrans **planned to deliver 90** environmental documents (including those from FY 1997-98 and FY 1998-99) and **40 were delivered**. The remaining **50 undelivered documents rolled forward**, to FY 2000-01 and beyond.

- For FY 2000-01, Caltrans **planned to deliver 89** environmental documents (including those from FY 1997-98, FY 1998-99 and FY 1999-00) and **54 were delivered**. The remaining **35 undelivered documents rolled forward**, to FY 2001-02 and beyond.

The above data underscores the importance of Caltrans reporting on the history of individual projects; (i.e., how many STIP environmental documents scheduled for a given year had earlier delivery dates and were already delayed at least once), rather than starting over with a clean slate year after year. Caltrans has slightly improved its STIP environmental document delivery in FY 2000-01 from prior years, but additional improvement is still needed. Caltrans agreed to provide STIP environmental milestone data on planned and actual delivery of environmental documents starting late in 2001: Notice of Preparation, Draft Environmental Documents and Final Environmental Documents.

Caltrans' SHOPP environmental document delivery slipped in FY 2000-01 from its **excellent delivery in FY 1999-00**. In FY 1999-00, Caltrans **delivered 190** SHOPP environmental documents compared to the **planned delivery of only 164 documents**; **by comparison, in FY 2000-01, Caltrans delivered only 101** SHOPP environmental documents when their **planned delivery was 150 documents**. The additional FY 1999-00 document delivery correlates well with the additional SHOPP project delivery covered under the SHOPP Projects section above. Caltrans amended 90 projects for \$565.7 million into the SHOPP and advance delivered another 7 projects for \$29.3 million into the 2000-01 fiscal year of the SHOPP.



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### F. Local Program Delivery – Second Annual Report

Due to the interest of the Commission, the Governor, and the Legislature in the timely use of transportation funds, Regional Transportation Planning Agencies (RTPAs) have dedicated considerable effort toward improving delivery of local federal and local State Transportation Improvement Program (STIP) projects. Compared to past years, local agencies have markedly stepped up the pace on delivery, obligating all, and in some cases more than their annual allotment of federal funds (Regional Surface Transportation Program funds) for the second year in a row. Local STIP project allocations in FY 2000-01 exceeded 85% of the projects programmed, this is slightly less than the 88% rate achieved in FY 1999-00, but still a large success. At the same time, other non-STIP Local Assistance project categories were less successful. A very large unanticipated \$329 million transfer from the State Highway Account to the Federal Transit Administration used up one third of the almost \$1 billion annual lump sum local assistance allocation.

#### Local Federal RSTP and CMAQ Projects

In the past, local agencies tended to underspend their annual share of federal Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality (CMAQ) funds. Over the six-year period of the 1991 Federal Intermodal Surface Transportation Efficiency Act (ISTEA), local agencies obligated 87% of their federal funds. In stark contrast, during the first two years of the 1997 Federal Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), local agencies obligated **only 41%** of their federal funds in Federal Fiscal Year (FFY) 1998 and **only 57%** in FFY 1999. As a result, by October 1999, local agencies had accumulated a **\$1.2 billion backlog** of federal apportionments and left unused \$854 million in annual Obligation Authority (OA), which **Caltrans had to step in and put to work** in order to avoid surrendering the unused OA to other states.

Timely delivery of local projects plays a key role in California's ability to take advantage of the annual redistribution of federal funds from other states and to prevent the loss of California's federal funds. The potential loss of federal funds is a significant concern to the Davis Administration and the Legislature. As delivery of local projects lagged, Caltrans, as the responsible fiduciary agent for the State, obligated projects on the State Highway System, so California would not lose any federal funds to other states. As more STIP programming capacity shifts off the State Highway System or remains tied up in unprogrammed county share balances and reserves, and as the more easily delivered state highway rehabilitation projects are accomplished, it is becoming more difficult for Caltrans to step in on short order and use federal funds left unused by local agencies. In short, if California is to avoid losing federal funds to other states, local agencies must shoulder more of the burden of using federal funds in a timely way **without** assuming that Caltrans will necessarily be able to do so. With added encouragement of recent statutory provisions, local agencies have begun to do so.

**Assembly Bill 1012** (Chapter 783, Statutes of 1999), with its “use-it-or-lose-it” provisions, has provided a significant incentive for on time delivery of local RSTP/CMAQ projects. AB 1012 became law on October 15, 1999, as urgency legislation. That legislation was enacted to provide a disciplined, structured and accountable environment for the delivery of local RSTP and CMAQ transportation projects. Specifically, the legislation states that RSTP and CMAQ funds not obligated within the first three years of federal eligibility are subject to redirection by the Commission in the fourth year. Caltrans is required to monitor the use of RSTP and CMAQ balances to assure full and timely use of these funds. Local agencies must now obligate these funds within three years. Caltrans is responsible for reporting what apportionments are subject to potential Commission redirection. When there is one year remaining within the three-year AB 1012-time period, Caltrans must provide written notice to the local agencies. The agencies are required to develop a plan for obligating their balances and to implement that plan so that none of the apportionment balances reach the three-year Commission redirection time period. Any RSTP and CMAQ project funds not obligated by the end of the third year of availability will be redirected by the Commission to other projects. Caltrans has committed to report quarterly to the Commission on the RSTP and CMAQ summary balances subject to potential redirection.

- **First Cycle Update**

Caltrans presented the first quarterly AB 1012 RSTP/CMAQ local funds report at the Commission’s February 2000 meeting. Caltrans reported that the initial balance for first cycle RSTP/CMAQ funds subject to Commission redirection on January 19, 2001 was \$333.6 million. By January 31, 2001, this balance was reduced to \$257.4 million. Regional agencies with unobligated balances were requested to develop and submit plans for obligating the \$275.4 million.

At the Commission's September 2000 meeting, Caltrans reported that \$175.7 million in local RSTP/CMAQ funds remained subject to Commission redirection on January 19, 2001, a reduction of over \$100 million in the unobligated balance in just six months. Caltrans also reported that after a thorough review for feasibility, all plans submitted by regional agencies indicated that no RSTP/CMAQ local funds would be left unobligated by January 19, 2001; and, therefore, no funds would be subject to Commission redirection.

At the Commission’s **February 2001** meeting, Caltrans reported that **all first cycle RSTP funds were obligated** by the January 19, 2001 deadline and that no RSTP funds were subject to Commission redirection. As for the first cycle CMAQ funds, Caltrans reported that **two agencies, Butte and Tulare, had CMAQ balances subject to Commission redirection**. The balances subject to redirection for these regions were Butte (\$372,712) and Tulare (\$686,256). The Commission redirected the funds back to the two agencies with a stipulation that the funds be obligated by the time of the June 2001 Commission meeting. Butte initiated a Bus Card Readers project for \$224,000 and another project for \$210,000 that would reduce their CMAQ balance by more than the required \$372,712. Tulare initiated a project for \$791,210, which was greater than their balance subject to redirection.

At the Commission's **June 2001** meeting, Caltrans reported that the Commission redirected **first cycle CMAQ funds were successfully obligated** by the two agencies involved and the books were closed on the first cycle of "use-it-or-lose-it" provisions.

The Commission noticed a glaring lack of delivery on the part of local agencies in the regional Transportation Enhancement Activities (TEA) program. The Commission decided to impose AB 1012 type "use-it-or-lose-it" provisions on regional TEA funds in order to **boost delivery**. In response to the Commission action, Caltrans incorporated regional TEA funds into the second cycle of quarterly AB 1012 RSTP/CMAQ local funds reports.

- **Second Cycle Update**

The annual notice to regional agencies for the second cycle of AB 1012 "use-it-or-lose-it" provisions was released on December 5, 2000. At that time, second cycle RSTP, CMAQ and regional TEA funds subject to potential Commission redirection on December 5, 2001 totaled approximately \$277 million. This was approximately \$56 million less than the initial balance subject to Commission redirection in the first cycle. In addition, the second cycle balances included regional TEA funds, whereas the first cycle contained only RSTP and CMAQ funds. Regional agencies with unobligated balances were requested to develop and submit plans by June 5, 2001 for obligating the \$277 million.

At the Commission's June 2001 meeting, Caltrans reported based on March 31, 2001 data that \$132 million in local RSTP, CMAQ and regional TEA funds remained subject to Commission redirection on December 5, 2001, a reduction of over \$145 million in the unobligated balance from the initial second cycle notification.

At the Commission's October 2001 meeting, Caltrans reported, based on July 31, 2001 data that \$75 million in local RSTP, CMAQ and regional TEA funds remained subject to Commission redirection on December 5, 2001. This was made up of approximately \$15 million in CMAQ funds for six separate agencies, \$34 million in RSTP funds for three agencies, and \$26 million in regional TEA funds for 24 agencies. This was an overall reduction of \$202 million from the initial second cycle notices.

Caltrans also reported the following, after reviewing the obligation plans submitted by regional agencies: two agencies would not be able to clear their CMAQ balances by the December 5, 2001 deadline; one agency would not be able to clear its RSTP balance; and five agencies would not be able to clear their regional TEA balances. The Commission sent letters to all agencies with outstanding balances as of July 31, 2001 encouraging them to clear their balances by the December 5, 2001 deadline and, if that were not possible, to seek extensions for their regional TEA projects and other accommodations for the RSTP and CMAQ projects. The Commission expects

to take action on any extension requests at its December 2001 or January 2002 meeting and will receive a report on third cycle notifications from Caltrans at the December meeting.

It can be stated unequivocally that AB 1012 is working as intended and a miraculous improvement was achieved in the obligation of local RSTP/CMAQ funds. Local agencies obligated **153%** of their federal funds in FFY 2000 and **124%** in FFY 2001. As a result, by October 2001, local agencies cut in half their prior accumulated **\$1.2 billion backlog** of federal apportionments to **\$0.6 billion**. Caltrans, also as a result of Local Program staff increases provided in the 1999 State Budget, provided much higher levels of technical assistance and training to local agencies and enabled them to achieve a high level of delivery. The next area of scrutiny by the Legislature, the Commission and Caltrans should be lagging **expenditure of obligated local RSTP/CMAQ funds** by the regional agencies.

### **Local STIP Projects**

Senate Bill 45 (Chapter 622, Statutes of 1997) split the STIP into two broad programs: the **regional program funded from 75%** of new STIP funding, and the **interregional program funded from 25%** of new STIP funding. The 75% regional program is further subdivided by formula into county shares. County shares are available solely for projects nominated by regions in their Regional Transportation Improvement Programs (RTIPs). The RTPAs may nominate both projects on the State Highway System for delivery by Caltrans (since the approval of Proposition 35 by the voters in the November 2000 election, local agencies now have a choice of either using private contractors or Caltrans) and projects on local streets and roads and mass transit projects for delivery by local agencies.

For FY 2000-01, local agencies committed to deliver 762 local streets & roads and mass transit STIP projects valued at \$646.8 million. This was a slightly smaller commitment than for FY 1999-00 when local agencies committed to deliver 970 projects valued at \$866.7 million. This smaller commitment was caused by the record level of STIP project rescheduling to outer-years that occurred at Commission meetings in March, May and June 2000, prior to the lock down of the FY 2000-01 delivery commitment. Through June 30, 2001, the local agencies delivered 645 projects valued at \$552.2 million, for an overall **85% STIP delivery rate**. Local agencies asked and received allocation extensions of up to 20 months for another 73 projects worth \$57.6 million, or 10%, of the STIP project commitment. Local agencies lapsed 44 projects worth \$37.1 million, or 5% of the STIP project commitment. The lapsed \$37.1 million reverts back to county share balances with the next STIP period in time for reprogramming in the 2002 STIP cycle. The local agencies "advance delivered" 85 projects worth \$35 million of future local STIP delivery into FY 2000-01 to make up for the lapsed funds. The local agencies also delivered 85 projects valued at \$30 million in FY 2000-01 that were to be delivered in prior fiscal years but received delivery extensions from the Commission.

The following chart shows how the local STIP delivery commitment was realized in FY 2000-01 and compares it against FY 1999-00 delivery:

	2000-01 Fiscal Year		1999-00 Fiscal Year	
	Dollars	Projects	Dollars	Projects
Programmed	\$646,789,000	762	\$866,665,000	970
Delivered in prior FYs	\$102,463,000	76	\$ 50,914,000	49
Delivered in FY	\$449,664,000	569	\$742,102,000	801
Time extensions	\$ 57,615,000	73	\$ 62,643,000	72
Lapsed	\$ 37,047,000	44	\$ 11,006,000	48

Advance delivered	\$ 34,971,000	85	\$115,252,000	11
Prior FY extensions	\$ 29,982,000	85	NA	NA

State payments to local agencies for STIP projects not on the State Highway System are classified as "Local Assistance" and appropriated by the Legislature subject to allocation by the Commission. The Commission delegated some of its allocation authority for Local Assistance to Caltrans. There are five such Commission delegations for local STIP projects:

Planning, Programming and Monitoring Funds - Under State law (Government Code, Section 14527(h)), each regional agency is permitted, in its RTIP, to request and receive up to one-half of 1% of its county share for project planning, programming, and monitoring (PPM). A regional agency that does not receive federal metropolitan planning funds is permitted to request and receive up to 2% of its county share for this purpose (with the enactment of AB 608 (Dickerson, Chapter 815, statutes of 2001) the above maximum amounts were increased to 1% and 5%, respectively, starting with the 2002 STIP). During FY 2000-01, Caltrans made 51 such local planning, programming, and monitoring delegated allocations for \$15,647,000.

Rideshare Project Funds - Under State law (Streets and Highways Code, Section 164), STIP funding made available for the regional improvement program may be used for "transportation demand management" projects, which includes ridesharing. While STIP projects are generally for capital expenditures, the STIP Guidelines (Section 25) explicitly permit "non-capital expenditures for transportation systems management and transportation demand management projects that are a cost-effective substitute for capital expenditures." During FY 2000-01, Caltrans made nine such local rideshare project delegated allocations for \$6,600,000.

Match Funds for Local RSTP/CMAQ Projects - Under Federal and State law, federal funds are made available under the RSTP and CMAQ programs for programming by regional agencies outside the STIP. Under Federal law, all RSTP and CMAQ projects require a non-federal match. State law (Streets and Highways Code, Section 188.5(e)) provides that, "Notwithstanding any other provision of law, the Commission shall ... provide flexibility so that State funds can be made available to match federal funds made available to regional transportation planning agencies." In response to this mandate, the Commission has included in its STIP Guidelines a provision (Section 24) that permits a region to program in its RTIP a reserve for RSTP/CMAQ match. Under the Guideline, the Commission may

then allocate (or may authorize Caltrans to allocate) funds from the reserve without amending the STIP to identify the individual projects. During FY 2000-01, Caltrans made 124 such local RSTP/CMAQ project delegated allocations for \$6,860,000.

Local Storm Damage and Street and Road Pavement Rehabilitation Projects - Under State law (Streets and Highways Code, Section 164), STIP funding made available for the regional improvement program may be used for “local road” projects. While STIP projects are generally for capital expenditures, the STIP Guidelines (Section 25) explicitly state Commission intent “that rehabilitation projects, excluding maintenance, on the local streets and road system remain eligible for funding in the STIP.” The STIP Guidelines also state that STIP funds “shall be available to fund repair of storm damage on local streets and roads resulting from storms occurring in the winter of 1997/1998.” During FY 2000-01, Caltrans made 200 such local storm damage/local street and road pavement rehabilitation project delegated allocations for \$66,092,000.

Project Development Components of Local Projects Programmed in the STIP - Under State law (Government Code, Section 14529), STIP projects are programmed in separate amounts for each of the following components: (1) environmental studies and permits; (2) plans, specifications, and estimates; (3) right-of-way; and (4) construction. The first two components together comprise project development. Funds expended by local agencies for project development are from local assistance appropriations and are subject to allocation by the Commission. During FY 2000-01, Caltrans made 54 such local project development delegated allocations for a total of \$9,258,000.

Caltrans allocated a total of 438 projects for a total of \$104,457,000 under the above five delegation authorizations. The Commission directly allocated another \$431,735,000 worth of local STIP delivery during its meetings in FY 2000-01. These numbers include: scheduled FY 2000-01 delivery, "advance delivered" projects into FY 2000-01 from future STIP years and projects that were to be delivered in prior fiscal years but received delivery extensions from the Commissions and were delivered in FY 2000-01. The following chart summarizes the local STIP delegation authorizations and compares the FY 2000-01 against the FY 1999-00 delivery:

Delegated Allocations	2000-01 Fiscal Year		1999-00 Fiscal Year	
	Dollars	Projects	Dollars	Projects
PPM	\$ 15,647,000	51	\$ 7,986,000	40
Rideshare	\$ 6,600,000	9	\$ 6,463,000	11
RSTP/CMAQ Match	\$ 6,860,000	124	\$ 2,934,000	83
Pavement Rehabilitation	\$ 66,092,000	200	\$147,027,000	389
Project Development	\$ 9,258,000	54	\$ 9,654,000	67
<b>TOTAL</b>	<b>\$104,457,000</b>	<b>438</b>	<b>\$174,064,000</b>	<b>590</b>

**Other Local Assistance Projects**

As reported above under Local Federal RSTP and CMAQ Projects, local agencies have dedicated considerable effort toward improving the delivery of local RSTP and CMAQ projects and are also doing well in delivering local TEA exchange projects, but the success is not as great with respect to the other Local Assistance project categories, where the AB 1012 “use-it-or-lose-it” provisions are not in force. However, the FY 2000-01 Local Assistance appropriation is available for three years. Local Assistance projects will continue to charge against this appropriation over the next two years. The following table shows how the Commission’s FY 2000-01 Local Assistance allocations, totaling \$932,569,000, were used by local agencies in the first year of availability:

<b><u>Category</u></b>	<b><u>Annual Allocation</u></b>	<b><u>Use of Allocation</u></b>
RSTP	\$250,000,000	\$325,718,000
CMAQ	\$260,000,000	\$ 64,519,000
Br. Rehab & Replacement	\$ 70,000,000	\$ 42,115,000
Br. Seismic Retrofit	\$ 95,000,000	\$ 60,364,000
Bridge Scour	\$ 4,200,000	\$ 0
RR Grade Crossing		
Protection	\$ 12,000,000	\$ 11,262,000
Maintenance	\$ 4,250,000	\$ 4,250,000
Grade Separations*	\$ 15,000,000	\$ 0*
Hazard Elimination & Safety	\$ 12,000,000	\$ 6,996,000
Demo Projects	\$112,000,000	\$ 45,584,000
TEA	\$ 50,919,000	\$ 21,121,000
State Exchange	\$ 44,000,000	\$ 40,490,000
Miscellaneous	<u>\$ 3,200,000</u>	<u>\$ 7,327,000</u>
Subtotal	\$932,569,000	\$629,746,000
FTA Transfers	<u>\$ 0</u>	<u>\$329,405,000</u>
Total	\$932,569,000	\$959,151,000

\*Program is established by PUC in last quarter of fiscal year. Project billings are processed in following fiscal year.

RSTP and CMAQ are the two funding categories where “use-it-or-lose-it” is in effect. The above data shows a substantial increase in the use of RSTP funds. The other categories appear not to be as aggressively expended, however allocations have a three-year shelf life and additional delivery against the allocations will continue. Caltrans also did \$329 million worth of Federal Transit Administration (FTA) transfers out of the State Highway Account to FTA to cover mass transportation projects.



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### G. Rural Counties Report – Annual Report

The Rural Counties Task Force was formed in 1988 as a joint effort between the California Transportation Commission and the 28 rural county Regional Transportation Planning Agencies (RTPAs) and Local Transportation Commissions (CTCs). The purpose of the Task Force is to provide a direct opportunity for the smallest counties in California to remain informed, have a voice, and help shape statewide transportation policies and programs.

The Task Force is an informal organization with no budget or staff. Meetings are held on the third Friday of odd numbered months at the Caltrans Headquarters facility. A member of the CTC staff acts as liaison to the Task Force; Commissioners, the Business, Transportation and Housing Agency, and Caltrans staff typically attend these meetings to present information or engage in discussions regarding statewide transportation issues that interest and affect rural counties.

The implementation of STIP reform legislation (i.e., SB 45) in 1997 significantly increased the responsibilities of regional transportation planning agencies. The effects were particularly pronounced in the smallest agencies, where modest staffs were now responsible for project specific planning, programming, and monitoring. These changes also intensified the value and purpose of the Task Force.

The following information is provided to highlight the challenges and accomplishments that have involved Task Force members in 2001, as well as the issues that will continue to confront Task Force members in the future.

#### ISSUES and CHALLENGES

##### Environmental Streamlining for Federal Regulations

One of the greatest impediments to on-time, on-budget project delivery is compliance with Federal environmental regulations. While an issue throughout California, it is a particularly daunting challenge for rural agencies who are, among other activities, planning some of the most significant bypass projects in the state, including the Willits Bypass, Prunedale Bypass, Lincoln Bypass, and Angels Camp Bypass, which raise significant environmental issues.

More notably, rural agencies have little or no control over the environmental assessment process. Consultations that should take a matter of weeks can often take months or years; even obtaining information regarding delays is, at best, difficult. Rural areas are more than willing to negotiate mitigations that are fair and equitable, but the process, as it is currently implemented, often impedes progress.

Caltrans has tried to communicate the frustrations of rural agencies to the Federal Highway Administration and other federal regulatory agencies. This is reflected in Caltrans Director

Jeff Morales' July 13, 2001, letter to U.S. Department of Transportation Secretary Norm Mineta, outlining some ways to move projects forward while meeting federal requirements.

### **Efforts**

The Rural County Task Force has pledged to assist in whatever way possible to shorten the timelines for Federal approvals of major transportation projects. Meanwhile, Task Force members also serve on Caltrans' Small Project Streamlining Committee, designed to find ways to move small transportation projects forward in an expeditious manner.

### **Continuing Issues**

- Timelines for wending through the Federal process simply cannot be accurately predicted, and it is almost entirely beyond the control or influence of the sponsoring agency. Rural counties have asked that the Commission continue to underscore the seriousness of this problem to the Legislature and the Administration and be sympathetic to these facts in dealing with timely use of funds issues.

### **Local Road Rehabilitation and Maintenance Funding**

The State's smallest counties generally have proportionately higher miles of roadways with the fewest resources to maintain them. The Commission recognized this need when, in 1998, it opened the State Transportation Improvement Program (STIP) to local road rehabilitation projects for rural and urban counties alike. Many local road rehabilitation projects subsequently were added to the STIP, even though such projects do not fit well within the intent or the mechanics of the STIP process and sometimes serve to preempt funding for larger projects more common to the STIP.

The funding picture for local road rehabilitation projects brightened somewhat with the Governor's Traffic Congestion Relief Program (TCRP), via its one-time \$400 million distribution for maintenance and an estimated \$120 million for each of the next five years. Further help is offered by Assembly Constitutional Amendment 4 (ACA 4), which will go before the voters in March 2002; that measure, which would commence when the TCRP ends, would permanently restrict the use of the sales tax on gasoline for transportation purposes, thus offering an on-going increase in funding for local road rehabilitation. Nevertheless, despite the welcome relief from the TCRP and ACA 4, the backlog of local road rehabilitation is of such magnitude that both measures combined will not generate sufficient funding to fully eliminate the backlog of local road disrepair for rural areas.

### **Efforts**

The Task Force has continuously focused on reducing the \$1 billion backlog of rehabilitation projects that would bring rural county roads up to "good" condition, as well as providing a dedicated funding source for the \$50 million needed annually to maintain those rural roads in good condition. While rural counties support passage of ACA 4, they have expressed a concern

that its passage might create the perception that the issue of local road disrepair has been resolved. The Task Force is working to make decision makers aware that, even with the passage of ACA 4; some of California's smallest rural counties would continue to need additional funds to address this ongoing backlog.

### **Continuing Issues**

- Until a sufficient, dedicated funding source is found **and** the backlog is eliminated, small rural counties continue to need the option of using STIP funds for road rehabilitation.

### **New Project Funding Sources**

The Rural Counties Task Force reports that existing resources are not sufficient to make the capital improvements needed to provide effective transportation systems in rural areas. Transportation improvements identified in local Regional Transportation Plans (RTPs), must be limited to those projects that are “financially realistic”. More and more counties find themselves unable to reconcile the project needs with their realistic funding expectations over the 20-year life of these plans.

### **Efforts**

About half of the counties represented by the Task Force have expressed interest or have taken steps to pursue the approach taken by many urban areas: a local sales tax for transportation. While many rural counties could meet a 50% or 55% majority threshold, few -- if any -- could meet the currently required 2/3 majority.

### **Continuing Issues**

- The Rural Counties Task Force joins with their urban counterparts in supporting the development of additional sources of funding for needed transportation projects. The Task Force supports ACA 4 as an important first step in that effort.

## **ACCOMPLISHMENTS**

### **State Only Funding**

Commission and Caltrans staff worked closely with Rural County Task Force members to develop a policy to continue to provide state-only funds for local road projects of \$750,000 or less, as well as matching funds for the federal dollars in the STIP, including Congestion Mitigation and Air Quality (CMAQ) where applicable. The Task Force equally appreciates the Commission's policy to allow rural areas to exchange Transportation Enhancement Activities (TEA) and Regional Surface Transportation Program (RSTP) funds for state-only dollars. These policies allow Task Force members to avoid dealing with cumbersome federal processes such as federal environmental regulations on small projects, enabling rural areas to use State funds more expeditiously and apply scarce resources to "product" rather than "process".

Rural areas recognize that state-only funds are a scarce resource that is highly sought after, and that Caltrans must manage their use accordingly. However, the continuation of these Commission policies to allow rural counties to exchange federal dollars and provide state-only funds for small projects is of critical importance.

### **Planning, Programming, and Monitoring (PPM) Funds**

One key lesson from SB 45 is that quality planning, programming, and monitoring of projects are essential to project delivery. Those activities require staffing or consultants with the expertise to wade through the myriad of federal requirements and state procedures associated with moving a project from concept to construction. In this regard, rural counties often find themselves at a disadvantage: obtaining and retaining personnel or consultants with the appropriate expertise costs money. Planning, programming, and monitoring (PPM) funds, which SB 45 made available from the STIP, is a critical source of such funding for rural counties. However, the statutory limit for regions to program no more than 2% of their Regional STIP funds for PPM places an undue restriction on rural counties. For those counties with STIP County Shares of only a few million dollars in any given STIP cycle, 2% does not begin to approach the costs of adequate PPM activities.

The Rural Counties Task Force has worked closely with the Regional Council of Rural Counties to develop legislation that would increase the allowable amount allocated to PPM from 2% to 5%. This was included in AB 608 (Dickerson) in the 2001-02 legislative session, Chapter 815, Statutes of 2001.

### **Caltrans Local Assistance**

The effects of SB 45 have included a significant increased demand on Caltrans Local Assistance resources. Rural counties in particular depend on the expertise of Caltrans Local Assistance program to guide them through the maze of federal and State requirements. In response to this need, Caltrans Local Assistance staffing has tripled during the current Administration, and Caltrans is now able to practice a more direct outreach to the local jurisdictions.

While improvements to Local Assistance are important, Caltrans' efforts can only go so far. For example, Caltrans personnel can help to explain the new federal DBE requirements or the processing of a federal environmental document, they cannot directly staff these efforts for small cities or counties; hence the need for additional PPM funds and state-only funding.

The Commission and Task Force members engaged Caltrans in discussions to identify further improvements. Task Force members have been working successfully with their Caltrans Districts' Local Assistance programs to facilitate better communications and information flow between Caltrans and project sponsors and improve project delivery.

### **Rural Planning Assistance (RPA) Funds**

Previous efforts by the Rural Counties Task Force and Caltrans resulted in the doubling of Rural Planning Assistance funds within the Caltrans budget starting in FY 2000-01. The primary need and use for these additional funds is to improve the Regional Transportation Plans (RTPs) and transportation planning processes in rural counties.

The Task Force has acknowledged Caltrans' successful efforts to improve the speed at which agencies are reimbursed for RPA funds. In small agencies, cash flow is an issue, and Caltrans' improved reimbursement has made a big difference.

Prior to this additional funding, some rural county regional plans had not been updated for ten years. With the help of these planning funds, all rural counties are expected to have updated regional plans ready for the 2002 STIP.

### **Interregional Transportation Improvement Program (ITIP)**

As Task Force members gear up to prepare their 2002 Regional Transportation Improvement Programs (RTIPs) for the 2002 STIP, so Caltrans is developing their 2002 ITIP. Under SB 45, 25% of the STIP is to be programmed into the ITIP, with primary focus outside of urban areas. This creates a particularly strong connection between RTIP and ITIP projects for rural areas, because so many of the Task Force members' largest transportation challenges are on the state highway system. At the same time, many of these projects have price tags that far outstrip the capacity and the ability of the local agencies to fund them. That is where ITIP participation becomes so critical.

The Task Force is particularly enthused about the way Caltrans has addressed the 2002 ITIP. In the past, the timing of the ITIP project selection had made it difficult for local agencies to adequately coordinate their RTIP submittals for potential jointly funded projects, since they could not anticipate what was or was not going to be included in the ITIP. In the 2002 STIP cycle, Caltrans has been proactive in seeking RTIP/ITIP partnerships with local agencies. The process is much more transparent, and there has been a far higher level of communication between Caltrans and local agencies about the Department's priorities. Of particular value is Caltrans' commitment to provide an ITIP in advance of the normal December due date, thus giving local agencies time to craft and coordinate their RTIP submittals with the ITIP.

### **Commission Liaison to the Rural Counties**

The transportation needs and issues of rural counties are unique, and those sensibilities need representation on the Commission. Throughout its history, the Task Force has enjoyed and benefited by the direct participation of a Commission member to serve as a liaison for rural issues on behalf of the full Commission and to lend voice and insight to these issues at Commission meetings. Continuing that tradition, the Task Force has expressed its appreciation to the current Commission liaison, Commissioner Kirk Lindsey. Task Force members regularly

communicate and coordinate with Commissioner Lindsey to provide input on the rural perspective to the Commission activities.

### **State Level Committee Participation**

In addition to those issues and efforts listed above, various Task Force members are also providing a rural perspective to the following efforts. Many of these efforts involve participation on committees established by Caltrans:

- Interregional Transportation Strategic Plan
- AB1012 Implementation Steering Committee
- SB 45 Project Monitoring/Reporting Data Base
- Local Assistance “Enhanced Training and Outreach”
- SB 335 Transportation Issues
- Caltrans, City, County, Federal Highway Administration Coordinating Group
- State Planning Guidelines Development Quality Assurance Team
- California Transportation Investment Strategy (CTIS)
- Universal Transportation Project Identifier (UTPI) Project
- Next TEA Federal Reauthorization
- FTA 5310, Welfare to Work Advisory Committee, Rural Transit Issues
- Intelligent Transportation Systems (ITS)
- Small Project Streamlining Committee
- Context Sensitive Solutions Committee

Members of the Task Force also actively coordinate with other statewide groups to share information and perspective on transportation issues. These other groups include:

- Regional Transportation Planning Agency (RTPA) Group
- California Association of Councils of Government (CALCOG)
- Regional-Caltrans Coordinating Group
- Regional Council of Rural Counties (RCRC)



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### H. Innovative Financing: AB 1012 Loan Program, GARVEE Bonds, and TIFIA

A number of innovative financing tools are available to the state and regional agencies for advancing the implementation of transportation projects in order to provide congestion relief benefits to the public significantly sooner than would be possible using traditional “pay as you go” funding mechanisms. Three financing programs are reported on below: 1) AB 1012 Short Term Loans from the State Highway Account (SHA) which allow transportation agencies to borrow cash in the SHA that has been committed to programmed projects, but not used as scheduled, for projects eligible under the State Transportation Improvement Program (STIP); 2) Federal Highway Grant Anticipation Revenue Vehicles (GARVEE bonds) which allows a region or Caltrans to access future federal funds to finance a transportation project with a cost well beyond funds currently available in the State Transportation Improvement Program; and 3) the federal Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) which authorizes the U.S. Department of Transportation to provide secured (direct) loans, loan guarantees, and lines of credit to public and private sponsors of surface transportation projects.

Due to the high cash balance in the SHA in recent years, around \$2 billion, and the ability to advance allocations for projects from the SHA cash balance, neither AB 1012 Short Term Loans nor GARVEE bonds have been used to date. However, a significant drop in the SHA cash balance is expected in 2002, which could create a demand for these two financing tools.

#### AB 1012 Short Term Loans From the State Highway Account (SHA) Cash Balance

Government Code Section 14529.6, added by Chapter 783 of the Statutes of 1999 (AB 1012), established a loan program utilizing SHA funds not allocated as programmed due to project delays to local entities to advance projects eligible under the STIP that are included within an adopted Regional Transportation Plan (RTP). The statutory intent is to expedite the use of the high cash balance in the SHA by putting the funds to work “at the earliest possible time on needed transportation improvements.” The loans are to be approved on a first-come, first-served basis.

The California Transportation Commission (Commission) is required by Section 14529.6(e) to propose guidelines and procedures to implement and expedite the SHA Loan Program authorized under AB 1012 and by Section 14529.6(f) to adopt, after a public hearing, a “uniform loan agreement package” and the guidelines and procedures. The guidelines and the “uniform loan agreement package” were adopted June 15, 2000.

The guidelines apply to all SHA loans to local entities approved by the Commission. Specific activities governed by these guidelines include independent fiscal analysis, project eligibility, loan application

review and approval, transmittal of funds, loan terms, “calling” of the loan for non-compliance or default, project overruns, and monitoring and reporting.

Total project costs must exceed \$10 million, except in smaller counties. Maximum single loans cannot exceed 50% of a county's regional-choice STIP allocation, nor exceed \$100 million. The maximum loan term remains four years with repayment to be made in cash from non-state sources. Projects funded under this program must be under construction not later than six months after the loan funds are transmitted; or, upon notice, the loan must be repaid with interest. The outstanding principal and interest on defaulted loans are to be recovered from a county's next STIP County Share, plus a 5% penalty; defaulting counties are ineligible for RIP programming until loans are repaid in full. Interest on the loans is set at the Pooled Money Investment Account quarterly rate.

The Commission may advance monies from the SHA in the form of loans whenever the SHA cash balance exceeds \$400 million. The total amount of outstanding loans shall not exceed \$500 million at any one time. Twice a year, on January 15 and July 15, the Commission is required to adopt projections of funding availability and the period of time during which the funds will be available. On December 6, 2000, the Commission adopted a loan capacity of \$300 million over four years, \$400 million over three years, and \$500 million over two years; on June 7, 2001, the Commission adopted a loan capacity of \$300 million for four years; and on December 12, 2001, the Commission adopted an updated loan capacity of \$100 million for four years.

No applications were received and no loans were made under this program in 2001.

### **Federal Grant Anticipation Revenue Vehicles (GARVEE Bonds)**

Chapter 862 of the Statutes of 1999 (SB 928) added Chapter 4 (commencing with Section 14550) to Title 2, Division 3, Part 5.3 of the Government Code, authorizing the State Treasurer to issue Federal Highway Grant Anticipation Revenue Vehicles (GARVEE bonds) and authorizing the Commission to select and designate projects to be funded for accelerated construction from bond proceeds. The Commission, in cooperation with Caltrans and Regional Transportation Planning Agencies (RTPAs), is required to establish guidelines for project eligibility and the implementation of GARVEE bond financing allocations.

**GARVEE Guidelines** - The Commission adopted guidelines for eligibility for funding allocations under this program on November 2, 2000. The guidelines integrated GARVEE financing into the current STIP programming process and specified how GARVEE debt service costs will be counted against STIP county shares or the Caltrans' STIP Interregional Share. Commission approval of a GARVEE bond funding allocation establishes a specific amount of bond proceeds to be applied to the project and the term over which bonds are to be repaid. The allocation will also include an estimate of the annual debt service. The Commission's allocation of GARVEE bond funding for a project will also include: 1) a request to the State Treasurer that bonds be sold to fund the project, and 2) a resolution dedicating

and pledging any future receipts of federal transportation funds received by the State to the payment of principal, interest and premiums on the notes for as long as any notes remain outstanding.

The Commission intends to review these guidelines and criteria for approving GARVEE financing at such time as one half of the statutorily allowable federal apportionment (15%) has been allocated to annual GARVEE debt service, or in 24 months, whichever occurs first.

**Program Amendments** - The GARVEE financing program was amended by two bills in 2001. **AB 438 (Chapter 113, Statutes of 2001)** expanded the categories of projects eligible for GARVEE financing. The categories of projects eligible for financing through the issuing of GARVEE Bonds now include toll bridge seismic retrofit projects, projects approved for funding under the Traffic Congestion Relief Act of 2000; and projects programmed under the current adopted State Transportation Improvement Program or the current State Highway Operation and Protection Program. Also, **AB 1171 (Chapter 907, Statutes of 2001)** added Section 188.51 to the Streets and Highways Code, which states that (a) if the department utilizes its authority to issue GARVEE Bonds from the state share of federal obligation authority to fund toll bridge seismic retrofit projects, funds allocated to this project shall not be counted against the state transportation improvement program county share for the county in which the project is located; and (b) State expenditures for the purposes of subdivision (a) shall not exceed 5 percent of the annual amount of federal obligation authority received by the state for a period determined by the department.

**Program Purpose** - This program allows a region or Caltrans to access future federal funds to finance a transportation project with a cost well beyond funds currently available in one or two STIP cycles. The intent of the Legislature in authorizing the use of GARVEE financing in California is to accelerate the funding and construction of critical transportation infrastructure projects in order to provide congestion relief benefits to the public significantly sooner than traditional funding mechanisms. GARVEE financing of a project is appropriate when the additional public benefits resulting from early construction exceed financing costs.

GARVEE bonds are tax-exempt anticipation notes backed by annual federal appropriations for federal-aid transportation projects. They were authorized in federal law by Section 311 of the National Highway System Designation Act of 1995, which amended Section 122 of Title 23 of the United States Code (the Federal-Aid Highway Act) to expand the eligibility of bond and other debt instrument financing costs for federal-aid reimbursement. The definition of construction was revised in Title 23, Section 101, to include a reference to bond-related costs eligible for reimbursement, including principal and interest payments, issuance costs, insurance, and other costs incidental to financing.

**Treasurer's Annual Determination of Bonding Capacity** - On March 30, 2001, the Treasurer submitted his second annual report on GARVEE Bonding. The 2001 analyses include scenarios with five-year maturity GARVEE notes issued in 2002 and maturing in 2007. The analyses show a resulting bonding capacity ranging from a low of \$2.13 billion to a high of \$2.57 billion under varying market conditions, assuming all federal deposits to the State Highway Account are used in the capacity

calculations. These capacity amounts are higher than reported in last year's analysis. In 2000, the comparable bonding capacity ranged from a low of \$1.80 billion to a high of \$2.38 billion. If the portion of federal deposits "passed through" to local agencies is excluded from the analyses, the bonding capacity is reduced, ranging from a low of \$1.62 billion to a high of \$1.95 billion. In 2000, the comparable bonding ranged from a low of \$1.33 billion to a high of \$1.90 billion.

### **Transportation Infrastructure Finance and Innovation Act (TIFIA)**

The Transportation Equity Act for the 21<sup>st</sup> Century created the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA). The Act authorized the U.S. Department of Transportation to provide three forms of credit assistance: secured (direct) loans, loan guarantees, and lines of credit to public and private sponsors of eligible surface transportation projects. Generally, projects must meet certain threshold criteria to qualify for funding under the TIFIA program. The criteria include:

- A total project cost of at least \$100 million;
- Must be supported by user charges or other non-Federal dedicated funding sources;
- It must be included in the State's transportation plan; and
- An investment-grade rating on its senior debt obligations must be obtained before TIFIA credit assistance will be provided.
- Additionally, projects are evaluated based on the generation of economic benefits, the leveraging of private capital, and the promotion of innovative technologies.

**Application for TIFIA Financing for the Seismic Retrofit of the San Francisco-Oakland Bay Bridge** - In August 2001, California submitted an application to the U.S. Department of Transportation for a TIFIA direct loan in the amount of \$450 million to be used for financing the seismic retrofit of the San Francisco-Oakland Bay Bridge (SFOBB).

As a result of the Loma Prieta earthquake in 1989, Senate Bills (SB) 60 and 226 (respectively Chapters 327 and 328, Statutes of 1997, Kopp), were enacted to establish the Toll Bridge Seismic Retrofit Program (TBSRP) and to fund the seismic retrofit of seven of the State-owned toll bridges. The TBSRP includes the SFOBB Seismic Retrofit Project, which involves the retrofit of the West Span and the replacement of the East Span of the bridge. Under this program, the current double-deck configuration on the existing East Span is to be replaced with a new span from Yerba Buena Island to the Oakland Touchdown. The new span will consist of a 10-lane, self-anchored suspension span with a main tower serving as part of the structural system, and a bicycle/pedestrian lane to be constructed on the south side of the eastbound deck.

SB 60 and SB 226 allocated \$1.838 billion for the work on the SFOBB, and included a provision which required the Department to propose a financing plan, if it were determined that the total cost exceeded the amount authorized in the legislation. The Department has since estimated the cost of the retrofit and replacement at \$3.3 billion, leaving a \$1.462 billion shortfall over the amount authorized. Consistent with the legislation's provision, the Department proposed a financing plan to the Legislature

that included a direct loan through the TIFIA Program, in combination with the issuance of tax-exempt revenue bonds, and other Federal and State funds. AB 1171 (Chapter 907, Statutes of 2001, Dutra) authorized the Department to pursue its proposed financing plan to fund the shortfall on the SFOBB and other bridges.

In developing the financing plan, the Department determined TIFIA to be a viable program for financing a portion of the shortfall on the SFOBB Seismic Retrofit Project, because it meets all the criteria of the TIFIA Program, and because the Program offers the repayment flexibility necessary to complete the project. In August 2001, the State submitted an application to the U.S. Department of Transportation for a TIFIA direct loan in the amount of \$450 million, which was approved by the Secretary of Transportation on November 28, 2001. In addition to the \$450 million TIFIA loan and various State resources committed to the project, the financing plan also includes approximately \$916 million in tax-exempt revenue bonds. The TIFIA loan and revenue bonds will be repaid from a \$1 toll seismic retrofit surcharge collected on Bay Area State-owned toll bridges.





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### I. Rural Transit System Grant Program

On September 24, 2001, the Governor signed Assembly Bill 437 (Cardenas), the Rural Transit System Grant Program. This program is intended to provide financial assistance to agencies that serve primarily rural areas of the state. Chaptered as Chapter 333 of the Statutes of 2001, the Budget Act of 2001 appropriated \$18 million from the Public Transportation Account to fund capital projects that will improve the efficiency and effectiveness of the rural transit system.

The Rural Transit System Grant Program required the Department to prepare Guidelines by August 31, 2001, and that the Commission adopt the Guidelines by October 15, 2001. The Department presented draft Guidelines to the Commission at its August 12, 2001 meeting, and the Commission adopted final Guidelines and Application at its October 2, 2001 meeting.

Assembly Bill 437, requires the Department and the Commission to establish the Rural Transit System Grant Program to purchase, construct, and rehabilitate transit facilities, vehicles, and equipment, including energy efficiency retrofits, and to purchase rights-of-way for transit systems. AB 437 further requires funds for this program to be encumbered by June 30, 2002. It also requires the Department to submit a report describing the projects funded under the program to the Legislature on or before June 30, 2002.

AB 437 requires all of the following:

- That the guidelines prepared by the Department and adopted by the Commission shall include all of the following:
  1. The Department shall award grants to recipients on a competitive basis for projects that serve primarily rural areas.
  2. Grants shall be used for the following purposes:
    - To purchase, construct, and rehabilitate transit facilities, vehicles, and equipment including, but not limited to, energy efficiency retrofits.
    - To purchase rights-of-way for transit systems
  3. Grants shall be awarded based on criteria that include, but are not limited to, all of the following:
    - Project need and effectiveness.
    - Filling transit service gaps, including, but not limited to, connectivity to other transit systems.
    - The equitable distribution of funds.
    - The potential of the project to improve the safety of passengers, transit workers, and the general public.
    - Replacement of vehicles or equipment that have exceeded service life expectations.

4. Grant awards shall be limited to any claimant, as defined in Section 99203 of the Public Utilities Code, which defines a claimant or any derivative term, such as applicant, to mean operator, city, county, or consolidated transportation service agency.
  5. Grants shall require all of the following:
    - A project match requirement equal to the percentage of the Transportation Development Act (TDA), funds expended for purposes other than transit, community transit services, pedestrian and bicycle, and transportation planning purposes, averaged over the three most recent fiscal years. The match requirement may not be less than 10 percent, and may not be more than 50 percent. However, no grant may be awarded to an applicant in any city, county, or city and county, in which funds that may be claimed by the applicant under TDA are expended for street and road purposes in the same year as the year in which the application for a grant is made.
    - A demonstration of maintenance of effort.
    - A demonstration of financial ability to support ongoing operations of the public transportation services.
- This Program shall become inoperative on July 1, 2002, and, as of January 1, 2003, is repealed, unless later enacted statute, that becomes operative on or before January 1, 2003, deletes or extends the dates on which it becomes inoperative and is repealed.

Currently, the program is a one-time, one-year program. Program funds must be encumbered by June 30, 2002, and expended by June 30, 2004, unless those times are extended by an act of the Legislature. Any funds not encumbered or expended within the respective time limits will remain as unused funds in the Public Transportation Account. Based on the approved Guidelines, agencies applying for funds through the program must have their applications submitted to the Department's District liaison no later than December 28, 2001.

In February 2002, the Department expects to notify agencies of project selections recommended by the Department's Application Review Committee, comprised of representatives of regional transportation planning agencies and Department staff. The Commission will adopt the final list of projects at its April 2002 meeting. Notice and adoption of the projects using the above time periods will allow for program funds to be encumbered by the June 30, 2002 deadline.

In early July 2001, the Department formed a task force to develop the Guidelines and an Application in order to assist in the project selection process. The task force included stakeholders from regional transportation planning agencies, transit providers and other stakeholder representatives, with the Department's Division of Mass Transportation staff acting in the role of facilitator/coordinator, and Commission staff acting in an advisory role. The main objective was to determine the best way to present the criteria outlined in the bill, thereby, making the program competitive, as required in Legislation.

On October 2, 2001, the Commission approved the Guidelines and Application Form. The approved Guidelines state that the intent of the program is to improve the efficiency and

effectiveness of the rural transit system. They clarify the program requirements, as well as guide and facilitate local, regional, and state actions related to defining, approving, funding and implementing the projects selected. The Guidelines step the applicant through the process of completing the application form and describe the intent of a particular application form section and the type of documentation/information expected when an applicant submits an application for program funds.

The Application adopted by the Commission on October 2, 2001, includes five sections with the total maximum of 100 points possible for any one application. Section I, which can receive a total maximum point value of 30, asks the applicant to discuss the project and provide justification that the project will improve the efficiency and effectiveness of the rural transit system. Section II, also worth 30 points, has the applicant discuss and provide documentation of the transit need, the ability to fill service gaps or improve and/or establish service connectivity; the applicant is also asked to discuss and document the TDA match requirement. Section III, worth 20 points, asks the applicant to describe the safety benefits of the project. Section IV, also worth 20 points, requires the applicant to discuss the deliverability of the project within the specified timelines outlined in AB 437 as well as the project's energy efficiencies and environmental benefits.

The most recurring comment received regarding the Guidelines and Application pertain to the requirement in AB 437 that "no grant may be awarded to an applicant in any city, county, or city and county, in which funds that may be claimed by the applicant under TDA are expended for street and road purposes in the same year as the year in which the application for a grant is made." Based on Legislation the fiscal year would be 2001-02. Many agencies are concerned that this requirement will eliminate them from applying for the program funds and yet the rural areas desperately need the funds. To date, it is unclear how many agencies will be eligible to apply or the amount of program funds that will be requested.





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### J. Seismic Safety Retrofit Program Annual Report/Status of Proposition 192

The State Highway System (SHS) has over 15,000 miles of maintained road and over 12,000 bridges. Each bridge is inspected at least once every two years, and some bridges are inspected even more frequently. An additional 11,500 bridges are on the local city street and county road network.

The 1989 Loma Prieta earthquake and the 1994 Northridge earthquake highlighted the vulnerability of the highway bridges to earthquake damage and made the seismic retrofitting of bridges California's number one transportation priority. Since the Loma Prieta earthquake, the Seismic Safety Retrofit Program has focused on bridges deemed most vulnerable to collapse during a significant earthquake and several bridges deemed critical to emergency response capability during a widespread civil disaster. This includes most of the single column support type bridges in high priority fault zones and some of the most vulnerable multiple column support type bridges. Also included in this group are State-owned toll bridges.

The Seismic Safety Retrofit Program has been a major endeavor for Caltrans and the Business, Transportation and Housing Agency. The Seismic Safety Retrofit Program is comprised of four parts: Phase I, Phase II, Toll Bridges and Local Bridges. Up until April 2001, the estimated combined cost to seismically retrofit the SHS bridge structures came to **\$5.05 billion**: \$1.08 billion for Phase I bridges, \$1.35 billion for Phase II bridges, and \$2.62 billion for the State-owned Toll Bridges. Approximately another \$1 billion will be required to retrofit Local Bridges not on the SHS.

On April 5, 2001, Caltrans transmitted to the Legislature its Annual Toll Bridge Seismic Retrofit Program Report. The most noteworthy aspects of the report were the updated cost estimates for retrofitting or replacing the Toll Bridges and schedule changes to complete the projects. The toll bridge costs increased from the prior estimate of **\$2.62 billion** to at least **\$4.64 billion, bringing the cumulative total cost of retrofitting structures on the State Highway System to more than \$7 billion**. Legislative action would be required to provide funds to cover a cost increase of such magnitude.

On October 14, 2001, the Governor approved AB 1171 (Dutra, Chapter 907, Statutes of 2001). AB 1171 revised the cost estimate for the State-owned toll bridges to \$4.64 billion with a corresponding revision to the delivery schedule. The bill provided that the \$4.64 billion estimate be based on specific conditions, rather than assumptions. The bill deleted the January 1, 2008, repeal date for the \$1 toll surcharge on San Francisco Bay Area toll bridges and instead provided that repeal would occur when \$2.3 billion in funds have been generated from the \$1 toll surcharge. The bill also allocated \$642 million from the State's share of Federal Highway Bridge Replacement and Rehabilitation program funds to the Toll Bridge seismic retrofit effort.

## **Phase I**

Following the 1989 Loma Prieta earthquake, Caltrans determined, based on its screening criteria, that 1,039 state highway bridges needed seismic retrofitting. A total of \$1.08 billion was set-aside in the State Highway Account (SHA), to finance the retrofit of these bridges. By May 2000, all 1,039 bridges were seismically retrofitted at an approximate cost of \$1.07 billion (\$844 million construction and \$226 million support). Some follow-up landscape restoration and mitigation projects await completion and some contractor construction claims must be settled before the books can be closed on the Phase I program.

Caltrans is confident that the remaining \$10 million balance is sufficient to close out the Phase I program. As a historical note, back in 1994 when the Phase I program was defined, the estimated construction cost for the 1,039 bridges was originally identified as \$750 million and soon after revised upward to \$850 million, with a construction completion date of December 31, 1995. No support cost was identified at that time, due to the uncertainty and variability of seismic design. The December 31, 1995 construction completion date for the Phase I program was an optimistic goal, considering the uncertainty and variability of the seismic design problems at hand. Overall, Caltrans achieved a very credible 89.8% construction completed rate by December 31, 1995 (933 of the 1,039 bridges) and had another 97 bridges (9.3%) under construction. The remaining nine bridges were some of the most challenging to seismically retrofit, with the three historic arch bridges on Route 1 in Monterey County proving to be the most difficult because of the need to retain the aesthetics and historic integrity of the bridges.

## **Phase II**

After the 1994 Northridge earthquake, Caltrans determined that an additional 1,155 State highway bridges were in need of seismic retrofit based on its revised screening criteria. This collection of bridges came to be known as Phase II. A total of \$1.35 billion (\$1.21 billion in Proposition 192 bond funds, approved by voters in March 1996 and \$140 million in State Highway Account and Multi District Litigation (MDL) funds, expended prior to passage of Proposition 192) was set aside to finance the retrofit of the 1,155 Phase II bridges.

As of June 30, 2001, of the 1,155 Phase II bridges 1,133 bridges (98.1%) were seismically retrofitted, 7 more (0.6%) were under construction, and 15 more (1.3%) remained in their design stage. Caltrans reported that it expects to complete most of the remaining Phase II bridges in the next few years. Three seismic retrofit projects require replacement of existing major bridge structures under heavy traffic conditions (Commodore Schuyler F. Heim Bridge on Route 47 in the City of Long Beach, and the 5<sup>th</sup> Avenue Bridge and the High Street Bridge on Route 880 in the City of Oakland). Caltrans does not expect to complete the seismic retrofit work on these three bridges until after 2007.

A total of \$1.12 billion (\$0.76 billion construction and \$0.36 billion support) has been allocated for the Phase II bridges as of June 30, 2001. If the total cost to finish the Phase II bridges exceeds the remaining \$230 million unallocated balance, Caltrans' strategy is to utilize federal Highway Bridge

Replacement and Rehabilitation (HBRR) funds available through the State Highway Operation and Protection Program (SHOPP) to contribute funds to projects where bridge replacement is the most cost-effective long-term retrofit and bridge rehabilitation solution. As a historical note, back in 1994 when the Phase II program was defined, the estimated cost to retrofit the Phase II bridges was \$1.35 billion (\$1.05 billion construction and \$0.3 billion support) with a construction completion date of December 31, 1997.

The December 31, 1997 construction completion date for the Phase II program was an even more ambitious goal than the Phase I construction completion date, considering the uncertainty and variability of the more complex Phase II seismic design problems. Overall, Caltrans achieved a credible 83.8% construction completed rate by December 31, 1997 (968 of the 1,155 bridges) and had another 153 bridges (13.3%) under construction. The remaining 34 bridges were some of the most challenging to seismically retrofit, with the three bridges discussed above proving to be the most difficult because of the need to replace the bridge structures under heavy traffic conditions.

Proposition 192 authorized the reimbursement of the SHA with seismic retrofit bond funds for Phase II seismic retrofit expenditures made during Fiscal Years (FYs) 1994-95 and 1995-96 with SHA funds (approximately \$103 million). Unfortunately, federal tax law precludes reimbursement of previously expended funds with federally tax-exempt bond proceeds. As a result, the SHA cannot be directly reimbursed with seismic retrofit bond funds. To address the federal tax concerns, Caltrans elected to directly apply Proposition 192 proceeds to future state highway rehabilitation projects and in August 2000 started allocating State Minor Program projects with Proposition 192 bond funds. Through June 2001, Caltrans has reimbursed approximately \$82 million of the \$103 million from the Proposition 192 bond fund.

### **Toll Bridges**

Seven of the nine State-owned toll bridges required some type of seismic retrofit work, varying in magnitude all the way to replacement. Toll collection on the Vincent Thomas Bridge was discontinued as of January 2000 and October 2001 for the San Diego-Coronado Bridge; but for the purposes of the Seismic Safety Retrofit Program, both bridges remain part of the toll bridge group. Senate Bill 60 (Chapter 327, Statutes of 1997) and Senate Bill 226 (Chapter 328, Statutes of 1997) recognized the toll bridge seismic retrofit effort as a State and a regional priority and responsibility, and established a \$2.62 billion funding level for the Toll Bridge Seismic Retrofit program. The State's share of funding for the toll bridge retrofit effort was set at \$1.665 billion: \$795 million from the SHA, \$790 million from Proposition 192 (a \$2 billion bond measure for seismic retrofitting, passed by voters in 1996), and \$80 million from the Public Transportation Account. The regional share was established at \$955 million: \$907 million from a \$1 toll surcharge on San Francisco Bay Area toll bridges (includes \$80 million for San Francisco-Oakland Bay Bridge east span "signature bridge" costs), \$33 million from the San Diego-Coronado Bridge Toll Account, and \$15 million from the Vincent Thomas Bridge Toll Account. The length of time the \$1 toll surcharge is maintained on San Francisco Bay Area toll bridges

may be increased to cover the cost of any additional amenities requested by the Bay Area for the San Francisco-Oakland Bay Bridge east span replacement project.

The following chart identifies the funding sources for the \$2.62 billion Toll Bridge Seismic Retrofit Program.

<b>TOLL BRIDGE SEISMIC RETROFIT FUNDING</b>	
<b>Source of Funds</b>	<b>Amount</b>
State Highway Account	\$795,000,000
Proposition 192 Bonds	\$790,000,000
Public Transportation Account	\$80,000,000
Bay Area Toll Bridges \$1 Surcharge*	\$907,000,000
San Diego-Coronado Bridge Account	\$33,000,000
Vincent Thomas Bridge Account	\$15,000,000
<b>Total Funds Available</b>	<b>\$2,620,000,000</b>

\* Includes \$80 million for SFOBB East Span "signature bridge" costs

By May 2000, two toll bridges were seismically retrofitted, the San Mateo-Hayward in the Bay Area and the Vincent Thomas in Los Angeles. Also, Caltrans reported, the schedule to finish the Toll Bridge Seismic Retrofit Program changed. The following chart identifies schedule changes for the Toll Bridge Seismic Retrofit Program since the last annual report.

<b>TOLL BRIDGE SEISMIC RETROFIT COMPLETION SCHEDULE</b>				
<b>BRIDGE</b>	<b>ORIGINAL ESTIMATED COMPLETION QUARTER</b>	<b>COMPLETION QUARTER 2000 ANNUAL REPORT</b>	<b>COMPLETION QUARTER 2001 ANNUAL REPORT</b>	<b>CHANGE SINCE LAST ANNUAL REPORT</b>
San Francisco-Oakland West Span	Fall 2003	Spring 2007	Summer 2008	5 quarters
New East Span	Winter 2004	Summer 2005	Spring 2007	7 quarters
Richmond-San Rafael	Fall 2000	Winter 2004	Spring 2005	1 quarters
San Diego-Coronado	Fall 1999	Winter 2002	Winter 2002	No Change
Benicia-Martinez	Summer 1999	Summer 2001	Winter 2002	6 quarters
Carquinez Eastbound	Winter 1999	Spring 2001	Fall 2001	2 quarters
Westbound*	Fall 2001	Fall 2004	Fall 2004	No Change
San Mateo-Hayward	Fall 1999	Spring 2000	Completed	Completed
Vincent Thomas	Winter 1999	Spring 2000	Completed	Completed

\* A replacement bridge financed with Regional Measure 1 generated toll funds will accomplish the retrofit of the westbound Carquinez Bridge.

Because of cost issues associated with the Toll Bridges, Caltrans issued a separate Toll Bridge Seismic Retrofit Report and submitted it directly to the Legislature on April 5, 2001, as required under Section 188.5(c)(2) of the Streets and Highways Code. Section 188.5(c)(2) states: “If the department determines that the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges exceeds two billion six hundred twenty million dollars (\$2,620,000,000), which includes eighty million dollars (\$80,000,000) for cable suspension, the department shall report to the Legislature within sixty days from the date of that determination as to the reason for the increase in cost and shall propose a financial plan to pay for that increase ....”

Caltrans addressed the toll bridge cost issues by breaking the Toll Bridge Seismic Retrofit Program into two categories. The first category consists of the six toll bridges where Caltrans has sole responsibility and authority to implement seismic retrofit solutions per Senate Bill 60 and is experiencing a \$557 million funding deficit. The second category is the San Francisco-Oakland Bay Bridge where Senate Bill 60 placed the final design selection responsibility on the Metropolitan Transportation Commission (MTC), with Caltrans responsible for constructing the selected design and where Caltrans is experiencing at a minimum a \$1.46 billion funding deficit.

Caltrans in its April 5 report to the Legislature recommends that it be allowed to utilize federal HBRR funds to finance the \$557 million shortfall on the six toll bridges where it has sole responsibility for the retrofit design and calls upon the “[Bay Area] region [to] identify ways to allow [the San Francisco-Oakland Bay Bridge] work to move forward in a timely fashion.” The following chart summarizes the anticipated cost deficits for the seven State-owned toll bridges that required some type of seismic retrofit.

<b>ESTIMATED COSTS TO RETROFIT TOLL BRIDGES</b>			
<b>BRIDGE</b>	<b>SB 60 Estimated Cost</b>	<b>Current Estimated Cost</b>	<b>Difference</b>
Richmond-San Rafael	\$329,000,000	\$665,000,000	+\$336,000,000
Benicia-Martinez	\$101,000,000	\$190,000,000	+\$89,000,000
San Mateo-Hayward	\$127,000,000	\$190,000,000	+\$63,000,000
Carquinez (eastbound*)	\$83,000,000	\$125,000,000	+\$42,000,000
Vincent Thomas	\$45,000,000	\$62,000,000	+\$17,000,000
San Diego-Coronado	\$95,000,000	\$105,000,000	+\$10,000,000
<b>Subtotal Category I</b>	<b>\$780,000,000</b>	<b>\$1,337,000,000</b>	<b>+\$557,000,000</b>
San Francisco-Oakland West Span	\$553,000,000	\$500,000,000	-\$53,000,000
West Span Approach	Included above	\$200,000,000	+\$200,000,000
New East Span**	\$1,285,000,000	\$2,600,000,000	+\$1,315,000,000
<b>Subtotal Category II</b>	<b>\$1,838,000,000</b>	<b>\$3,300,000,000</b>	<b>+\$1,462,000,000</b>
<b>Grand Total</b>	<b>\$2,618,000,000</b>	<b>\$4,637,000,000</b>	<b>+\$2,019,000,000</b>

\* A replacement bridge financed with Regional Measure 1 generated toll funds will accomplish the retrofit of the westbound Carquinez Bridge.

\*\* The current \$2.6 billion estimate does not include white cement, light pipe or bicycle/pedestrian path for the entire length of the SFOBB. Including these items would increase the cost to \$3.2 billion and the cumulative total for all seven toll bridges to \$5.2 billion. A \$20 million cost of dealing with the Transbay Terminal and its approach loops is included in these numbers.

The Legislature responded to Caltrans' report by passing AB 1171 (Dutra, Chapter 907, Statutes of 2001) that the Governor signed on October 14, 2001. AB 1171 revised the cost estimate for the State-owned toll bridges to \$4.64 billion with a corresponding revision to the delivery schedule. The bill provided that the estimated cost of replacing the San Francisco-Oakland Bay Bridge is based on the following conditions:

- The new bridge shall be located north adjacent to the existing bridge.
- The main span of the bridge shall be in the form of a single tower cable suspension.
- The roadway in each direction shall consist of five lanes, each lane will be 12-feet wide, and there shall be 10-foot shoulders on each side of the main-traveled way.

The bill deleted the January 1, 2008, repeal date for the \$1 toll surcharge on San Francisco Bay Area toll bridges and instead provided that repeal would occur when \$2.3 billion in funds have been generated from the \$1 toll surcharge. The bill also allocated \$642 million from the State's share of federal Highway Bridge Replacement and Rehabilitation program funds to the Toll Bridge seismic retrofit effort. The bill also provided that if the seismic retrofit cost of the State-owned toll bridges exceeds \$4.64 billion, Caltrans may program not more than \$448 million in project savings or other available resources from the Interregional Transportation Improvement Plan, the State Highway Operation Protection Plan, or federal bridge funds for that purpose.

### **Local Bridges**

In addition to the work necessary on State-owned bridges, Caltrans was charged with the responsibility of identifying the seismic retrofit needs of all non-State publicly owned bridges, except for bridges in Los Angeles County and in the unincorporated areas of Santa Clara County. Information for non-State publicly owned bridges is not readily available on a statewide basis because of the number of agencies involved and therefore bridge counts are subject to change. For last year's report, Caltrans, Los Angeles County and Santa Clara County identified 1,204 locally-owned bridges in need of seismic evaluation. For the reasons stated above, the number of locally-owned bridges needing seismic evaluation is now 1,212. As of June 30, 2001, 302 (25%) of the 1,212 bridges were in the retrofit strategy development stage, 330 (26%) were in the design stage, 101 (8%) were under construction, and 454 (41%) were either completed or were judged not to require seismic retrofitting. The total cost of the local bridge retrofit program is **roughly estimated** at \$840 million. Approximately \$340 million has been spent or obligated for the local bridges. The remaining \$500 million is an estimate of what will be necessary to complete the remainder of the local retrofit. Because 656 (51%) of the 1,212 bridges are still in the strategy development or design stages, the \$500 million estimate is highly subject to change. It is the responsibility of each actual bridge owner to secure funding, environmental approvals, right-of-way clearances, and to administer the seismic retrofit construction contract. The local bridge retrofit program is financed from federal HBRR funds.

## **Status of Proposition 192**

The Seismic Retrofit Bond Act of 1996 (Proposition 192) authorized \$2 billion in state general obligation bonds for the seismic retrofit of State-owned highways and bridges. Senate Bill 60, which was enacted in 1997, specifically limited the amount of Proposition 192 funds that could be expended for State toll bridge seismic retrofit to \$790 million. The other \$1.21 billion was directed to the Phase II seismic retrofit effort.

As of June 30, 2001, the amount of Proposition 192 funds allocated for Phase II seismic retrofit thus far totaled \$1,118.7 million, including \$698.9 million for capital outlay and right-of-way, \$256.8 million for project support costs, \$81.2 million to reimburse the FY 1994-95 and 1995-96 seismic project support expenditures made with SHA funds and an additional \$81.2 million in interest costs that are usually offset by interest earned by the Surplus Money Investment Fund related to bond funds. The total amount of Proposition 192 funds allocated for toll bridge seismic retrofit as of June 30, 2001 totals \$787.5 million, including \$661.5 million for capital outlay and right-of-way, and \$126 million for project support costs.

The overall total of Proposition 192 funds allocated through June 2001, is \$1,906.2 million, including the \$81.2 million for interest costs, leaving \$91.3 million in bond authority available for allocation to Phase II retrofit projects and only \$2.5 million for toll bridge projects.





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### K. Federal Transportation Enhancement Activities Program

The federal Transportation Enhancement Activities (TEA) program remains a challenge, due in large part to fragmentation as evidenced by the great number of projects and the equally great number of agencies and project sponsors responsible for implementing this program. The Commission, on several occasions, instituted TEA program reforms with the latest effort culminating in the imposition of AB 1012-type “use-it-or-lose-it” provisions on regional TEA funds in order to **boost delivery**. The “use-it-or-lose-it” provisions appear to be making a difference, but it is still too early to make a final judgment. Also, late in 2001, the Commission activated a statewide TEA advisory committee, to serve as a forum to discuss the whole subject of TEA program reform, with a particular emphasis on improving project delivery.

#### The Federal Transportation Enhancements Program, 1992-2001

Congress, starting with the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, has required that at least 10% of federal Surface Transportation Program funds be spent on specified categories of transportation enhancement activities (TEA) projects. ISTEA specified 10 categories of projects, since expanded to 12, which qualify as enhancements. These projects broadly fall into five groups:

- 1) pedestrian and bicycle facilities,
- 2) scenic beautification,
- 3) historic preservation, archeology, and museums,
- 4) wildlife corridors, and
- 5) non-point source water pollution control.

In the absence of state legislative direction, the Commission's initial approach to implementing the federal TEA program back in 1993 entailed programming TEA projects into the State Transportation Improvement Program (STIP), which at that time was a statewide competitive program. Over the six years of ISTEA from FFY 1992 through FFY 1997, the amount required to be spent for enhancements in California came to \$210 million, or approximately \$35 million per year. By September 2000, barely enough projects had been delivered to use all the funds before they expired.

Project delivery has been a large challenge from the beginning, mainly because this program is just very different: wholly new program design, slow start to the program, non-transportation agencies, unusual projects, weak project planning, inadequate communication, bureaucratic process, indifferent acceptance by transportation agencies, and insufficient assistance. Despite the challenges, the TEA program generally succeeded in meeting Congress' intent, built many good projects, even some exceptional ones, and became widely popular at the local level. In this continuing context, the Commission approved an original program design in 1993, then redesigned the program in 1998 under federal TEA-21 reauthorization legislation and SB 45's STIP reform, and now is considering redesigning the program yet again.

Congress in 1998 extended the enhancements program under TEA-21, through 2003, making few changes. In response, the Commission redesigned the way the State handled the enhancements program, modeled on SB 45 but with enhancements removed from the STIP altogether, divided so that 75% of federal enhancement funds are subdivided into regional shares, administered as direct local assistance to regional agencies, with the remaining 25% going the State, with that amount further subdivided three ways: to Caltrans for its own projects, to a competitive program for projects of broad statewide interest, and to Conservation Lands program for large scenic acquisitions of statewide importance.

In coming up with the new TEA program design, the Commission had an eye toward some of the program's earlier challenges and problems. Under TEA-21, California is slated to receive \$363 million in federal enhancement funds from FFY 1998 through FFY 2003, about \$60 million per year -- nearly a 75% increase from the \$35 million per year authorized under ISTEA in 1991. Going into 2002, the fifth of the six years of TEA-21, better than 90% of TEA funds have been programmed but only about 40% were actually allocated to ready-to-go projects; thus, the TEA program is running approximately two years behind and at a pace that would put some TEA funds at risk of expiring in September 2006 (similar to what almost happened in September 2000).

The Commission, Federal Highway Administration (FHWA), Caltrans, and regional agencies have worked to lessen some of the original challenges from the ISTEA era. The Commission, in its new program design, separated smaller regional/local scale projects from larger projects of statewide interest and further separated high cost scenic acquisitions to make the competitive playing field more level, moved most TEA projects out of the STIP into Local Assistance (with fewer administrative requirements), and reduced its role in programming decisions. The new project application has somewhat ameliorated the problems of unclear project scope and underestimated costs. FHWA has streamlined procedures and requirements in some places, but notably not its environmental procedures. Caltrans has restored its local assistance staffing, offers outreach and assistance to sponsoring agencies, and has been working to streamline project administration. Perhaps of greatest benefit to improving the timely implementation of the TEA program was the Commission's decision to apply "use-it-or-lose it" provisions to the TEA program; that standard has contributed to a significant upturn in the actual use of TEA funds during the past year.

### **The Need and Climate for TEA Program Reform**

California faces a situation that is neither unique nor inexplicable. Slow project delivery has plagued the TEA program throughout its ten-year history, here and in most other states. The reasons cover a broad spectrum, but particularly include: uncertain state commitment to the program early on following the program's advent, the large role played in the programs implementation by non-transportation agencies unfamiliar with federal transportation programs and requirements; fragmented and confusing program design; poor and spotty communication; too many projects with fuzzy scopes, underestimated costs, and overly optimistic schedules; federal transportation procedures ill-suited for enhancements projects; and, until recently, insufficient assistance from Caltrans. However, if the delivery challenges cannot be eased, some

projects likely will fail, some regions may lose some funding, the state as a whole may lose funding in 2006, and the state can expect criticism from supporters of a widely popular program.

Some states have been more successful in improving delivery of TEA projects. States have created a wide variety of TEA programs, customized to each state's peculiar circumstances. In some states, the Department of Transportation (DOT) makes programming decisions, in others those decisions are made by or shared with a TEA advisory committee or regional agencies. In some states, the program is run entirely by the State DOT (in some cases from district offices, in other cases centralized out of headquarters), others share it with regional agencies. Some states match federal TEA funds to lift that burden from local project sponsors; others want local project sponsors to buy in with a match stake in their projects. Some states take applications on a continuous open basis; others program annually or on some other fixed schedule; and others have programmed all six years of funds at once. Some states use the program for pre-selected policy objectives or to implement projects identified in plans, others accept ad hoc project nominations. Some states and regions like the program so much they expend as much as twice the required 10% federal minimum for TEA projects. Many states have reached agreement with FHWA on streamlined procedures to help their TEA programs work more smoothly. **The Commission faces the challenge of retaining the good features of the existing TEA program while improving the problem areas, looking for ideas with a track record in other states.**

### **Boundaries for TEA Program Reform**

About a dozen major national environmental groups, loosely allied via the Surface Transportation Policy Project, were substantially responsible for convincing Congress to include the TEA program in both ISTEA and TEA-21. Now, a decade later, they serve as self-appointed watchdogs for the program in all states. Although these groups have varying specific purposes, and some of them do compete for TEA funds for their own projects, they essentially work in concert to ensure three broad objectives: the use of TEA funds for enhancements rather than transportation or required mitigation; open and fair program access to all environmental and community interests; and streamlined procedures eliminating bureaucratic steps irrelevant or non-essential for TEA projects in particular.

Regional agencies have become strongly attached to their regional TEA shares, now administered as local assistance funds, with applications, guidelines, procedures, and program timing set region by region. Nevertheless, 49 separate regional shares do fragment the program.

Three interests converge on the state share: Caltrans and State resources agencies, each with independent objectives that are not necessarily coincident, and major national environmental groups which insist upon access to an open statewide program.

FHWA will require Caltrans to remain in the front lines, to administer the program as its transportation partner agency, and final decision-making to rest with transportation agencies, not resources agencies, since the funds come from a federal transportation program. Enhancement funds are federal funds, so the State must work with FHWA to see how far it can streamline procedures and still ensure that basic federal oversight responsibilities can be satisfied; the line has been pushed quite far out in some other states.

Success of the program ultimately rests with the agencies that build or do TEA projects, many of them non-transportation agencies. From their end, the program looks chaotic and daunting, with 49 regional shares and 3 state shares, all on different schedules with somewhat different requirements and applications, and a long list of onerous federal requirements that seem to add little value. Non-transportation agencies will always have to put forth extra effort to keep up to speed on requirements of transportation programs – although streamlined requirements, better communication, and help from Caltrans can make a difference here. Even with help, some agencies may have to recognize that a different program other than federal enhancements would be a more appropriate source of funding for them, in particular those not sufficiently ready to deal with the requirements of the TEA program and the rigors of federal funding, or those with a project whose features invite problems from federal requirements and process.

Some challenges may remain intractable because the program is so different. TEA remains a federal transportation program, funded with transportation funds, so a transportation agency (Caltrans) must administer the program and approve decisions. Non-transportation agencies face the generic challenge of an unfamiliar program, outside their normal communication channels. Transportation agencies find it awkward to waive program requirements to the degree some would consider appropriate for enhancements projects. All federal programs and funds come with basic federal oversight responsibilities, and federal agencies largely control how those are defined.

### **Proposal for TEA Program Reforms**

During 2001, the Commission decided to consider further TEA program reforms administratively, with the primary objective of better project delivery. In August, it heard and placed out **for discussion** a draft proposal based on the following principles:

1. Recognize the TEA program as permanent, with predictable rounds of programming continuing into future years.
2. Weed out “blue sky” projects with imprecise scopes, poorly-defined cost estimates, and unrealistic schedules, and ensure the program invests in high priority, well-conceived, deliverable projects.
3. Improve communication and make the program understandable and easy to use, from the viewpoint of the kinds of agencies that do or build TEA projects.
4. Seek aggressively to simplify federal procedures as far as FHWA will allow.
5. Encourage Caltrans districts and regional agencies to stay more on top of project status and progress, provide more help when needed to local agencies doing projects, and further simplify state administration of the program.
6. Provide alternative ways to use federal TEA funds, to benefit smaller regions and sponsors of smaller projects.
7. Consolidate and focus the state share toward defined statewide objectives while preserving the opportunity for open access for projects of broader than regional interest.

Based on these principles, the following broad features, developed from ideas that work in other states mixed with ideas from interested parties, comprised the initial reform proposal:

- The state would issue five-year estimates of TEA funding each year in November, divided into regional and state shares, for programming up to one year in the future; regions and Caltrans would take and review applications on a continuous and open basis, programming from those in hand each December, with regions able to pass on any year's cycle, or make commitments to future programming when agencies got projects ready.
- Regions and the state would use TEA funds for project construction and right-of-way only (except for non-construction parts of the TEA program such as bicycle safety and archaeology research), with all project development done and funded up front by project sponsors and used as match for the federal funds, for projects identified in a regional, state, or agency plan or added onto other federal transportation projects, with Caltrans or regions screening projects for eligibility and readiness for construction beforehand.
- Regions and Caltrans districts would increase significantly staff assistance to agencies preparing projects, with a single point of contact, improved application and program manual, workshops on requirements and process, and feedback about projects not programmed.
- Caltrans and FHWA would examine practices around the country and seek to streamline federal procedures in California to the least common denominator, going farther than in other federal programs.
- Caltrans districts and regions that want the responsibility would review projects and otherwise assist project sponsors more intensively, and jointly track project delivery, with districts accountable for delivery performance; the Commission would reestablish a statewide TEA advisory committee, and reduce its role to estimating and allocating funds and serving as a forum to discuss issues.
- The state would continue the exchange of TEA funds from rural regions that don't use them, explore establishment of a system to broker the trading of TEA funds among regions and among projects for efficient federal fund use, and seek maximum flexibility in budgeting and expenditure of TEA funds; the Commission would offer temporary relief from use-it-or-lose-it deadlines.
- Caltrans would define a focus for the state share, for the next year's program round, and the statewide TEA advisory committee would select an evaluation committee to review projects and recommend how to program the state share.

### **Discussion of the Initial Proposal**

Predictably, some parts of the reform proposal were popular, and others were not well-received. Most regions agreed to synchronize their programming schedules, but reluctantly. The notions of better Caltrans assistance and less federal red tape were universally popular, even with Caltrans and FHWA. To its credit, Caltrans has beefed up its assistance programs, is training staff in all districts to serve as single points of local contact, has improved project tracking, and is working more closely with many regional agencies. FHWA has indicated willingness to explore opportunities to streamline federal processes. The Commission decided to consider time extensions for projects now behind schedule on a case-by-case basis.

However, two of the proposals, the second and the last, proved much more controversial. Environmental interests, generally supported by regional agencies, asserted that the proposal to limit the use of TEA funds to construction and right of way, with environmental studies and design plans to be done by the sponsoring agency and used as the local match for the federal TEA funds, would prove too burdensome for small sponsoring agencies, thereby squeezing out projects. Regional agencies, generally supported by sponsoring agencies, asserted that a requirement that TEA projects would have to come from a planning process would also be too burdensome, that small agencies would lack the resources to carry through an extended planning process and small projects would be too detailed for broad planning purposes. How the state would use the state share became a focus of considerable tension between state agencies with particular objectives of their own and the major national environmental groups that want more open access for projects of broad scope and interest.

Most TEA project failures can be laid to small agencies overwhelmed by federal requirements, difficulties honing in on precise project scope, or cost overruns with insufficient backup funding, compounded by delivery time and effort way longer than planned – in other words to “weak projects.” In fact, the state has been trying for ten years to achieve the two most popular objectives -- better Caltrans assistance and less federal red tape -- with marginal success at best. These two objectives alone are not enough; something also must be included to screen "weak projects" (or those features of projects that yield the most problems).

The whole subject of “weak projects” tends to be controversial at heart because of the reluctance by project sponsors and interest groups to acknowledge the very existence of “weak projects.” Nevertheless, other states emphasized the importance of weeding out poorly-conceived projects, and each has its own way of doing it. The range of ways found in other states is broad: limiting eligible agencies only to counties and cities (which presumably have experience building federal transportation projects), programming projects only by component (similar to what is done in the STIP), using TEA funds only for construction (to avoid federal red tape that seems to be particularly a quagmire for preliminary engineering), requiring all projects to be derived from an enhancements plan (which presumably serves as a screen for project priority and readiness), a use-it-or-lose-it provision that drops projects on which progress is too slow (but which also casts aside sunk costs), all the way to the State DOT taking over and delivering projects on behalf of local agencies that run into trouble. Most of the State DOTs contacted now try to screen projects for eligibility and readiness, including a field review, as soon as practical after every serious project proposal comes forward, which could be a major burden in a state as big as California.

The Commission activated a statewide TEA advisory committee, to serve as a forum to discuss the whole subject of TEA reform with a particular emphasis on improving project delivery. Caltrans agreed to coordinate the establishment of the TEA advisory committee. The Commission requested that the committee membership be kept as small as possible and also instructed the members to act as representatives for all TEA advocates not only as representatives of their individual organizations. The Commission expects the committee to meet early in 2002 and provide a mid-course report in February with a final report scheduled for the June 2002 Commission meeting. The following organizations will serve on the TEA advisory committee:

Business, Transportation & Housing Agency  
California Resources Agency  
Federal Highway Administration  
League of California Cities  
California State Association of Counties  
Regional Transportation Planning Agencies (Urban)  
Regional Transportation Planning Agencies (Rural)  
California Association of Bicycling Organizations  
The Rails to Trails Conservancy  
The Nature Conservancy  
The Trust for Public Lands





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### L. FY 2001-02 Environmental Enhancement and Mitigation Program

#### Background

Streets and Highways Code, Section 164.56 establishes the Environmental Enhancement and Mitigation (EE&M) Program, as a \$10 million annual program to fund environmental enhancement and mitigation projects directly or indirectly related to transportation projects. EE&M projects must fall within any one of three categories: highway landscape and urban forestry; resource lands; and roadside recreation. Projects funded under this program must provide environmental enhancement and mitigation over and above that otherwise called for under the California Environmental Quality Act (CEQA).

The statute mandates that the State Resources Agency evaluate projects submitted for this program and the California Transportation Commission (Commission) award grants to fund projects recommended by the Resources Agency. Any local, State or federal agency or nonprofit entity may apply for and receive grants. The agency or entity is not required to be a transportation -- or highway -- related organization, but must be able to demonstrate adequate charter or enabling authority to carry out the type of project proposed. Two or more entities may participate in a joint project with one designated as the lead agency. The Resources Agency has adopted specific procedures and project evaluation criteria for assigning quantitative prioritization scores to individual projects. In funding the program, an attempt is made to maintain a 40/60 North/South split between California's 45 northern and 13 southern counties.

Through the first ten years of the EE&M Program, a total of 452 projects have been programmed at a total cost of \$100.4 million. Approximately 38% have been highway landscape and urban forestry projects, 34% resource land projects, and 27% roadside recreation projects.

Under the original 1989 Transportation Blueprint Legislation, the EE&M Program was to sunset after FY 2000-01. However, in 1999, SB 117 (Murray) was signed into law, eliminating the program's ten-year sunset.

#### FY 2001-02 EE&M Program

For FY 2001-02, the Resources Agency evaluated 110 projects seeking a combined total of over \$26 million in State funding. From this list of projects, the Agency recommended to the Commission 80 projects with a total cost of over \$19.3 million in State funding. The Commission programmed 38 of those projects, totaling \$10 million -- the amount included in the FY 2001-02 budget for the program. In deciding which projects to program, the Commission considered the Resources Agency's prioritization scores, project costs, project deliverability, and the linkage of the enhancement project to a transportation project. The 38 projects programmed for FY 2001-02 were as follows:

	<u>No. of Projects</u>	<u>Grants</u>
Highway Landscape and Urban Forestry	17 projects ( 45%)	\$ 3,163,865 ( 32%)
Resource Lands	13 projects ( 34%)	\$ 5,395,000 ( 54%)
Roadside Recreation	<u>8 projects ( 21%)</u>	<u>\$ 1,441,135 ( 14%)</u>
TOTAL	38 projects (100%)	\$10,000,000 (100%)

Taken together with projects previously programmed in the first ten years of the program, the EE&M Program between FY 1991-92 and FY 2001-02 has made commitments to a total of 490 projects as follows:

	<u>No. of Projects</u>	<u>Grants</u>
Highway Landscape and Urban Forestry	191 projects ( 39%)	\$ 33,254,735 ( 30%)
Resource Lands	168 projects ( 34%)	\$ 49,027,629 ( 44%)
Roadside Recreation	<u>131 projects ( 27%)</u>	<u>\$ 28,148,636 ( 26%)</u>
TOTAL	490 projects (100%)	\$110,431,000 (100%) <sub>1</sub>

### **EE&M Program Fund**

As a result of some EE&M projects coming in under budget (project savings) and the inability of some applicants to deliver their projects (project failures) a positive balance has been accumulating in the EE&M Program Fund. Considering time (over ten years) and the power of compounding interest, the accumulated EE&M Program Fund balance now stands at over \$11 million.

The Commission has requested that Caltrans identify ways and means for reusing the accumulated EE&M Program funds for the benefit of EE&M projects. Caltrans has taken up the challenge and is proposing Budget Bill language to allow for the use of the accumulated funds on EE&M projects in the upcoming FY 2002-03 Budget, over and above the customary annual \$10 million for this program.

<sub>1</sub>The extra \$431,000 in programming capacity was generated from savings in previous years of the program.

**ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM  
FISCAL YEAR 2001-02**

**NORTHERN PROJECTS**

<b><u>APPLICANT</u></b>	<b><u>PROJECT</u></b>	<b><u>FUNDING</u></b>
THE TRUST FOR PUBLIC LAND	COWELL RANCH ACQUISITION	1,000,000
SHASTA LAND TRUST	FENWOOD PARTNERS PROPERTY	500,000
U.S. BUREAU OF LAND MANAGEMENT	ANDREW CREEK/TABLE MOUNTAIN ACQUISITION	245,000
DEPT OF PARKS AND RECREATION	LAKE OROVILLE SRA - NORTH FORK TRAIL	220,000
CITY OF ALBANY	ALBANY URBAN FORESTRY PROGRAM	65,250
OUR CITY FOREST	MONTEREY HIGHWAY GREENING	235,400
DEPT OF PARKS AND RECREATION	PERCHED DUNE TRAILS IMPROVEMENT-MACKERRICHER STATE PARK	170,415
CITY OF MONTEREY	WINDOW ON THE BAY MONTEREY BAY PARK PHASE IV	200,000
CITY OF BERKELEY	BERKELEY URBAN REFORESTATION	199,300
CONTRA COSTA COUNTY	STONE VALLEY ROAD REPLANTING AND BEAUTIFICATION	223,863
SACRAMENTO COUNTY	AMERICAN RIVER PARKWAY INVASIVE PLANT MANAGEMENT PLAN	250,000
MOTHER LODGE FAIR	MOTHER LODGE FAIR - GREENBELT 2001	104,000
PARTNERS FOR BASS LAKE RESOURCES	BASS LAKE TRAIL	230,720
MARIN COUNTY OPEN SPACE DISTRICT	WHITE HILL UNDERPASS TRAIL	80,000
CITY OF SAN PABLO	AMADOR STREET FORESTATION	59,410
CALTRANS	ROUTE 41 LEMOORE LANDSCAPING	217,222
	<b>TOTAL</b>	<b>4,000,580</b>

**SOUTHERN PROJECTS**

<b><u>APPLICANT</u></b>	<b><u>PROJECT</u></b>	<b><u>FUNDING</u></b>
THE BACK COUNTRY LAND TRUST	WRIGHT'S FIELD ACQUISITION PHASE III	500,000
NORTH EAST TREES	BUENA VISTA DE LOS ANGELES	250,000
THE TRUST FOR PUBLIC LAND	MORRO BAY DUNES: POWELL II	500,000
COMMUNITY SERVICES AND EMPLOYMENT TRAINING	HIGHWAY 198 URBAN FORESTRY	213,430
LAND TRUST FOR SANTA BARBARA COUNTY	ARROYO HONDO PRESERVE	500,000
DEPT OF PARKS AND RECREATION	HOLLISTER PEAK RANCH SOUTH PARCEL ACQUISITION	500,000
CITY OF LOMITA	URBAN REFORESTATION	190,000
CITY OF LOS ANGELES	TREE-LINED ROUTES TO THE RIVER	250,000
CITY OF MURRIETA	I-15 AND I-215 INTERCHANGES / TRANSITION AREAS LANDSCAPING	250,000
CENTER FOR NATURAL LANDS MANAGEMENT	WILLOW HOLE PRESERVE SAND SOURCE/TRANSPORT AREA ACQUISITION	250,000
CITY OF VISTA	ROUTE 78 CORRIDOR LANDSCAPING	83,790
CALTRANS	SOLSTICE CREEK FISH PASSAGE AND RIPARIAN RESTORATION	250,000
FOOTHILL / EASTERN TRANS CORRIDOR AGENCY	EASTERN TRANS CORRIDOR WEST LEG (SR 261) LANDSCAPE	250,000
CITY OF DELANO	DELANO TREE BEAUTIFICATION	250,000
CITY OF SAN LUIS OBISPO	JOHNSON RANCH ACQUISITION	250,000
INYO COUNTY	LOWER OWENS RIVER SALT CEDAR CONTROL	250,000
CITY OF LA MESA	JUNIOR SEAU SPORTS COMPLEX MITIGATION	250,000
FOOTHILL / EASTERN TRANS CORRIDOR AGENCY	F/ETC INTERCHANGE (SR 241 / SR 133) LANDSCAPE ENHANCEMENTS	250,000
CITY OF ENCINITAS	MULTIPLE HABITAT CONSERVATION PROGRAM ACQUISITION	400,000
CITY OF IRVINE	HARVARD AVENUE SPINE LANDSCAPE	72,200
HOLLYWOOD BEAUTIFICATION TEAM	PASADENA UNIFIED SCHOOL DISTRICT URBAN FORESTRY	250,000
CITY OF IRVINE	HARVARD AVENUE SPINE BIKE TRAIL	40,000
	<b>TOTAL</b>	<b>5,999,420</b>





## II. 2000 ACTIVITY AND ACCOMPLISHMENTS

### M. Retrofit Soundwall Program

For the past three decades, it has been an established practice that part of the cost of constructing or widening a freeway is the mitigation of that freeway's effects upon the surrounding environment and community, including noise attenuation barriers, or soundwalls. However, a profound inequity is found in those residential neighborhoods where freeways were built before such noise mitigation was required.

To address that inequity, the Legislature in the 1970's established the Retrofit Soundwall Program, authorizing construction of soundwalls in those areas where freeways were constructed without soundwalls adjacent to existing residential areas. For many Californians, the Retrofit Soundwall Program reestablished both the value and the quality of life of their homes that the freeway construction had compromised. But to many other Californians, that Program has proven to be only a hollow promise that someday the peaceful environment of their homes would be restored. Retrofit soundwalls thus tend to be concentrated in those areas where the freeway system was developed early. Senate Bill 45 (Chapter 622, 1997) repealed the Retrofit Soundwall Program from the 1989 Transportation Blueprint, but left in place other statutes that require Caltrans to maintain a retrofit soundwall priority list and nominate projects for the State Transportation Improvement Program (STIP) from the list; thus statutory intent and direction became ambiguous. In developing the 2000 STIP Fund Estimate, the Davis Administration proposed providing funding for the "remaining retrofit soundwall projects on the Caltrans May 3, 1989 list" through the Local Assistance component of the 2000 STIP Fund Estimate. Doing so was viewed as a matter of environmental equity, providing to all qualifying residents the protections provided to only some.

In a 1999 letter to the Commission, Business, Transportation and Housing Agency Secretary Maria Contreras-Sweet outlined the Davis Administration's position: "The State has a responsibility, as owner and operator of California's freeway system, to maintain and repair that system and operate it in a safe manner; under statute, funding for that responsibility is not dependent on the relative priority assigned by any given regional agency or county commission. That responsibility falls to the State and is funded "off the top". So, too, should the cost of mitigating freeway noise impacts on surrounding residential neighborhoods—impacts that should have been mitigated when the freeway was initially built or, for newer freeways, have been mitigated as a basic component cost of the new facility. For all of these reasons, Governor Davis and I are calling for the completion of the too-long-delayed Retrofit Soundwall Program."

#### Status of Statutes

Streets & Highways Code Section 215.5 (dating from 1978) requires Caltrans to define criteria by which to determine statewide priorities for retrofit soundwalls and to maintain a statewide priority list of eligible projects. Caltrans must consider retrofit soundwalls for locations where current freeway noise levels exceed noise standards and where the freeway location was originally approved after adjacent residential development had already been built. Nearly all retrofit soundwall locations are found

alongside freeways built before 1974, since after that date, soundwalls have been routinely included in freeway construction where noise levels warrant them. Under statute, Caltrans must propose retrofit soundwall projects for the STIP in priority order, and may delete locations from the list where it determines that a soundwall would not turn out to be a cost-effective solution.

Streets & Highways Code Section 164(d), from the Transportation Blueprint of 1989, set up a Retrofit Soundwall Program within the STIP, to be funded at \$150 million over ten years. Unlike other parts of the Transportation Blueprint, this statute section expressed “the intent of the Legislature that this amount, together with the soundwall projects funded in the 1988 State Transportation Improvement Program, will complete all retrofit soundwalls on the priority list established on May 3, 1989, pursuant to Section 215.5”. SB 45 (1997) repealed this section of statute. Further, SB 45 specified retrofit soundwalls as one type of project eligible for the Regional Improvement Program, but not for the Interregional Improvement Program, thus apparently leaving Caltrans no way to propose retrofit soundwalls in priority order from its list for programming in the STIP.

As a result, SB 45 left in place the statutory definition of the Retrofit Soundwall Program, the requirement for Caltrans to maintain a priority list, and authority (from 1991 legislation) for a local agency to pay 33% or more of the cost of a retrofit soundwall and have that particular soundwall moved to the top of Caltrans’ priority list, and be added to the STIP ahead of other soundwalls further down. But the funding program for retrofit soundwalls was repealed.

Thus, SB 45 has yielded ambiguous direction concerning retrofit soundwalls. On the one hand, Caltrans is required to evaluate priorities and keep a list and propose projects in priority order; but on the other hand, the program through which Caltrans can propose retrofit soundwall projects has been repealed. The Legislative intent from the Transportation Blueprint has also been repealed, yet neither the ten-year funding target nor completion of all retrofit soundwalls on the May 3, 1989, priority list have been achieved through STIPs adopted according to Transportation Blueprint statutes. Some regional agencies regard the Retrofit Soundwall Program and its intent as a Transportation Blueprint prior commitment to be grandfathered into the STIP. Others argue that SB 45 somehow shifted the burden for honoring this decades-old commitment from the State to the individual county or regional agency, to be funded from within that county’s share of the STIP, at the expense of other transportation investments within that county. It is noted that those that have advanced that argument have little concern for retrofit soundwalls, either because their older freeways have already been retrofitted or their newer freeways were initially and properly mitigated; and in almost every instance, those soundwalls were funded over and above the impacted county’s statutory minimum.

In December 1997 the Commission asked the Legislature for direction concerning the future course of State investment in retrofit soundwalls. The Commission advised that the previous statewide program commitment be fulfilled using the Caltrans May 3, 1989, list to define the commitment, within a specified time period for completion, with the Legislature designating funding “off the top” outside the STIP, and with Caltrans being able to delete projects from the list that are found not to be cost effective.

The Legislature responded by passing Assembly Bill 1686 (Wildman, 1998), which proposed that retrofit soundwalls be funded “off the top.” Governor Wilson vetoed the legislation and indicated in his veto statement that in signing SB 45, it was intended that retrofit soundwalls be a regional responsibility.

With the change in administrations as a result of the 1998 elections, the new Davis Administration proposed providing funding for the “remaining retrofit soundwall projects on the Caltrans May 3, 1989 list” through the Local Assistance component of the Fund Estimate. The Commission adopted the 2000 STIP Fund Estimate at its August 1999 meeting with the remaining May 3, 1989, retrofit soundwalls projects funded “off the top” through the Local Assistance element.

**FY 2000-01 Retrofit Soundwall Delivery**

At the Commission’s July 2000 meeting, Caltrans requested an allocation of \$226,000,000 (the dollar amount provided in the 2000 State Budget) for the 63 retrofit soundwalls remaining on its May 3, 1989 list referenced in the 1989 Transportation Blueprint legislation. The Commission granted the allocation and authorized Caltrans to reimburse local agencies for the projects once they are completed. The Commission also asked Caltrans for a year-end report on how many retrofit soundwall projects actually went to construction in FY 2000-01 and how many remain. Caltrans committed to report regularly on the progress of implementing the 63 retrofit soundwalls funded with the July 2000 allocation.

The original Caltrans delivery schedule for the 63 retrofit soundwalls indicated that the majority of the projects would be delivered beyond FY 2002-03. The Commission found this to be unacceptable and encouraged Caltrans to accelerate that schedule. In July 2001, Caltrans reported to the Commission that “[it] is working to accelerate delivery and now expects to have almost 75 percent of the projects ready to advertise\* by the end of FY 2002-03.”

The following table illustrates Caltrans’ FY 2000-01 milestone delivery for the 63 retrofit soundwalls remaining on the May 3, 1989 list.

<b>Milestones Achieved</b>	<b>Planned Delivery FY 00/01</b>	<b>Actual Against FY 00/01 Plan</b>	<b>Advance Delivered into FY 00/01</b>	<b>Total Delivered in FY 00/01</b>
Environmental Documents Completed	27	25	7	32
R/W Certifications Completed	3	3	7	10
Ready to List (Design Completed)	2	2	8	10
Fund Transfer Agreements Completed Project Ready to Advertise*	2	2	10	12
Construction Contracts Awarded	2	2	0	2
Construction Completed	2	2	0	2

\* Caltrans measure of delivery

Volume II-M, Retrofit Soundwall Program

The following table tracks the overall completion of the retrofit soundwall program.

	July 2000 CTC Allocation	Contracts Awarded	Percent Awarded	Contracts Completed	Percent Completed
Number of Projects	63	2	3.2%	2	3.2%
Value of Projects	\$226,000,000	\$1,446,000	0.6%	\$1,446,000	0.6%



## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### N. Proposition 116 Programs Implementation

#### Overview

In June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act (CATIA), which provides \$1.99 billion in general obligation bond funds principally for rail development throughout California. The intent of the CATIA programs is to reduce traffic congestion and air pollution and provide better transportation options for all Californians through feasible, cost-effective capital projects. CATIA designated the California Transportation Commission (Commission) to oversee the following six components:

- |                              |                      |
|------------------------------|----------------------|
| • Rail                       | \$1.852 billion      |
| • Non-urban County Transit   | \$ 73 million        |
| • Waterborne Ferry           | \$ 30 million        |
| • Competitive Bicycle        | \$ 20 million        |
| • State Rail Museum          | \$ 5 million         |
| • Commission/Caltrans Admin. | <u>\$ 10 million</u> |
|                              | \$1.990 billion      |

Through December 2001, the Commission has approved 503 individual applications totaling \$1.8 billion for all CATIA programs, which represents 90% of the total \$1.99 billion, authorized for expenditure. Of the \$1.8 billion in approved applications:

- \$1.67 billion has been for rail projects,
- \$ 73 million has been for non-urban county transit,
- \$ 30 million has been for waterborne ferry projects,
- \$ 20 million has been for the competitive bicycle program, and
- \$ 10 million has been for State administrative costs.

Of the \$190.4 million in remaining Proposition 116 funds, \$184.8 million is authorized for rail projects, \$5 million is authorized for the Department of Park and Recreation's rail technology museum, and \$0.6 million is assigned to the City of Vallejo for a Water-Borne Ferry project(s). All authorized funds for the non-urban county transit program, the competitive bicycle and water ferry programs have been programmed. The funds authorized for State administrative costs have also been programmed and budgeted.

#### Rail Program

CATIA's Rail Program consists of \$1.852 billion for rail development throughout California. Through 2001, the Commission has approved applications for 118 rail projects totaling \$1.67 billion of the \$1.85 billion authorized under CATIA; \$184.8 million remains available to Caltrans and to five local jurisdictions (Marin, Monterey, Santa Cruz and Sonoma Counties, and the City of Irvine) for application and approval. Of the remaining \$184.8 million, \$121 million

(65%) is authorized for the City of Irvine (Orange County), \$8 million (4%) is authorized for Caltrans for intercity rail projects, \$28 million (15%) is authorized for Marin and Sonoma, \$17 million (9%) is authorized for Monterey, and \$11 million (6%) is authorized for Santa Cruz. Exhibits 1 and 2, based on an October 2001 survey of designated applicants, show that \$1,850,000 of the \$184.8 million are expected to be applied for during the current fiscal year (FY 2001-02), \$49,636,800 are projected to be applied for in FY 2002-03, with the remaining \$133.3 million to be sought after FY 2002-03.

**EXHIBIT 1  
OCTOBER 2001 SURVEY  
OF ANTICIPATED RAIL PROGRAM APPLICATION SUBMITTALS  
FROM AGENCIES THAT HAVE PREVIOUSLY APPLIED FOR A PORTION OF THEIR  
DESIGNATED PROPOSITION 116 FUNDS**

Agency	Remaining Available Funds	Amount to be Requested by 7/1/02	Amount to be Requested in FY 2002/03	Amount to be Requested after FY 2002/03
<i>Caltrans – San Joaquin and Capitol Corridor</i>	\$8,636,800*	\$0	\$7,636,800	*\$1,000,000
<b>City Of Irvine</b>	\$120,600,000	\$1,850,000	\$0	\$118,750,000
<b>Monterey</b>	\$16,550,000	\$0	\$3,000,000	\$13,550,000
<b>TOTAL</b>	<b>\$145,786,800</b>	<b>\$1,850,000</b>	<b>\$10,636,800</b>	<b>\$133,300,000</b>

\*\$1 million no longer needed for rail right-of-way inventory designated in Proposition 116, as the Department completed the inventory in early 1993 with funds other than Proposition 116. The Department is researching the possibility of using the \$1 million for another related purpose but to date has not submitted an application.

Marin, Sonoma and Santa Cruz have yet to submit any applications for the use of funds designated in CATIA. Exhibit 2 portrays the agencies and the proposed schedule by which they plan to obtain funding for their projects.

**EXHIBIT 2  
OCTOBER 2001 SURVEY  
OF ANTICIPATED RAIL PROGRAM APPLICATION SUBMITTALS  
FROM AGENCIES THAT HAVE NOT APPLIED FOR ANY PROPOSITION 116 FUNDS**

Agency	Available Funds	Amount to be Requested by 7/1/02	Amount to be Requested in FY 2002/03	Amount to be Requested after FY 2002/03
<b>Sonoma County</b>	\$17,000,000	\$0	\$17,000,000	\$0
<b>Marin County</b>	\$11,000,000	\$0	\$11,000,000	\$0
<b>Santa Cruz County</b>	\$11,000,000	\$0	\$11,000,000	\$0
<b>TOTAL</b>	<b>\$39,000,000</b>	<b>\$ 4</b>	<b>\$39,000,000</b>	<b>\$ 667</b>

Along with the remaining \$184.8 million available for application, another \$22.8 million in approved funds remain unallocated. Exhibit 3, below, portrays the agencies that have successfully applied for funding but have not yet sought allocations for part or all of the funds and the proposed schedule by which they plan to request an allocation for their projects.

**EXHIBIT 3  
OCTOBER 2001 SURVEY OF ANTICIPATED RAIL PROGRAM ALLOCATION  
SUBMITTALS FROM AGENCIES THAT HAVE APPROVED FUNDS**

Agency	Available Funds	Amount to be Requested by 7/1/02
<b>Caltrans – Alameda Corridor</b>	\$17,100,000	\$17,100,000
<b>North San Diego TDB – Oceanside-San Diego</b>	\$5,714,376	\$5,714,376
<b>TOTAL</b>	<b>\$22,814,376</b>	<b>\$22,814,376</b>

**Non-Urban County Transit Program**

CATIA's Non-Urban County Transit Program consists of \$73 million earmarked for California's 28 non-urban counties, divided among those counties based on population. The Commission has approved applications for 277 non-urban transit projects in these 28 counties, thus programming the entire \$73 million authorized for the Non-Urban Program. The Commission has allocated just over \$70 million or about 97% of the total. The remaining \$2.4 million should be allocated later in the current fiscal year (FY 2001-02) as shown on Exhibit 4.

**EXHIBIT 4  
OCTOBER 2001 SURVEY OF ANTICIPATED NON-URBAN COUNTY TRANSIT PROGRAM  
ALLOCATION SUBMITTALS**

County	Programmed Amount	Programming Date	Project Type of Remaining Funds	Remaining Balance	Expected Allocation Date
<b>Alpine</b>	\$51,886	2/24/93	Transit	\$51,886	June 2002
<b>Napa</b>	\$5,163,071	4/2/97	Transit	\$1,890,915	March 2002
<b>Nevada</b>	\$3,659,574	12/10/97	Bicycle/Transit	\$1,501	March 2002
<b>Plumas</b>	\$920,091	11/16/93	Transit	\$6,300	August 2002
<b>San Benito</b>	\$1,710,552	5/1/97	Transit	\$75,711	May 2002
<b>Tehama</b>	\$2,313,162	6/3/93	Transit	\$332,112	June 2002
<b>Trinity</b>	\$608,903	11/16/93	Transit	\$15,000	Spring 2002
<b>TOTAL</b>	<b>\$14,427,239</b>			<b>\$2,305,225</b>	

CATIA's Waterborne Ferry Program consists of two elements: a \$20 million competitive program and a \$10 million program solely for the City of Vallejo. The Commission has approved applications for 15 ferry projects during the FY 1991-92 and FY 1992-93 competitive funding cycles, committing the entire \$20 million authorized under the Competitive Ferry Program. All of the \$20 million approved has been allocated. The Commission has approved \$9.4 million of the \$10 million authorized for the City of Vallejo. Of the \$9.4 million approved thus far, \$9.2 million has been allocated. This year, the City completed its Ferry Demonstration - Phase II project under cost and reprogrammed \$750,000 to a new jet cat rehabilitation project, and has \$590,592 remaining for future programming.

### **Bicycle Program**

CATIA's Bicycle Program consists of \$20 million for bicycle projects to be programmed through a competitive application process. The Commission approved the entire \$20 million for 70 bicycle projects in 25 counties during two funding cycles in FY 1991-92 and FY 1992-93. Five more projects were selected and funded from the Commission's priority standby list, and five others were shifted from the federal Transportation Enhancement Activities (TEA) Program and were funded as a result of cost savings and deletions. In all, the entire \$20 million has been approved and allocated for 81 bicycle projects. (In 1998, the Commission decided to use freed-up Proposition 116 funds for bicycle projects from the TEA Program, rather than initiate a costly statewide competitive call-for-projects, given the relatively small sums of available Proposition 116 funds and the outdated standby list.)

### **State Railroad Technology Museum**

CATIA includes \$5 million for the California Department of Parks and Recreation (DPR) for construction of the California State Museum of Railroad Technology and specifies that the CATIA funds will be provided to DPR when sufficient funding for the entire project is available. DPR has stated its intent to submit a Proposition 116 application by the end of FY 2002-03. The California State Railroad Museum Foundation estimates the Museum of Railroad Technology will cost between \$21 and \$25 million. The project funding will come from CATIA (\$5.0 million), potential Park Bond financing (from the March 2000, \$2.1 billion, Proposition 12 Safe Neighborhood, Parks, Clean Water, Clean Air, and Coastal Protection Bond Act), lease-revenue bonds issued by the State Public Works Board, potential TEA funds, and the balance of funds raised privately by the California State Railroad Museum Foundation.

### **Year 2000 Deadline**

CATIA required that the Commission establish guidelines and execute the Proposition 116 grant program to assure that use of funds will lead to rail/transit service prior to July 1, 2000 (PUC Sec. 99684). The State has an interest in insuring the best use of available CATIA bond funds toward meeting public transportation needs; the Commission believes that the public's interest may be best met by reallocating idle funds to those projects that are ready for implementation.

Those agencies that failed to apply for and/or request allocation of the authorized funds by July 1, 2000, alternate projects could be accomplished through the following series of actions:

- **Agency Proposals for Alternate Projects** -- In the Fall of 2000 and again in the Fall of 2001, as called for in its adopted guidelines, the Commission surveyed those agencies asking if they intended to substitute projects to replace their original project(s) designated in CATIA, if the funds remain unused or their project(s) proves to be infeasible. None of the agencies surveyed suggested substitute projects. Three agencies – Marin, Monterey, and Sonoma Counties – reported that they still intend to use the funding for the purposes described in Proposition 116. To date, these agencies still consider their projects to be viable.
- **Commission Recommendation to the Legislature** -- The Commission may at anytime decide whether it considers the agencies' intended projects to be viable. If the Commission concludes those projects are not viable, the Commission may recommend to the Legislature alternate uses of the available Proposition 116 funds; any such recommendations would most likely be developed in association with the affected agencies. At the present time, the Commission does not offer any substitute projects.
- **Legislative Action** -- The Legislature may any time after July 1, 2000, by a two-thirds vote of each house, reallocate unencumbered or unexpended funds to another rail transit project within the geographic jurisdiction of the agency specified in Proposition 116. If the Legislature does not act to make any changes, the funds remain available as designated in Proposition 116. Commencing July 1, 2010, the Legislature is authorized to reallocate any unencumbered or unexpended funds to another rail transit project anywhere in the State.

### **2001 Commission Activity**

In 2001 the Commission programmed approximately \$7.7 million in authorized CATIA funds for the Rail Program, allocated about \$13.4 million and reprogrammed approximately \$6 million. In the Non-Urban Program, approximately \$3 million in projects were reprogrammed to other eligible projects within the approved agencies' jurisdictions and over \$3 million was either allocated or had allocations amended. The Commission also approved over \$2 million in time extensions, while denying approximately \$2.6 million in extensions to the City of Imperial and County of Imperial. The \$2.6 million has been expended, however, the City and County have not submitted the invoices for reimbursement.





## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### O. FFY 2001-02 Elderly and Disabled Persons Transit Program

In 1975, the federal government established funding, under the Federal Transit Act, for the Elderly and Disabled Persons Transit Program. This program was intended to provide financial assistance for non-profit organizations to purchase transit capital equipment to meet the specialized needs of elderly and/or disabled persons for whom mass transportation services are unavailable, insufficient, or inappropriate. The program's implementing legislation designated the Governor of each state as the administrator of the funds. In California, Caltrans was delegated the authority and has been administering this Federal Program since its inception.

Although the Elderly and Disabled Persons Transit Program is relatively small in terms of dollars (e.g., \$7.8 million in FFY 2000-01), it has a high visibility, funding as many as 190 projects for 57 separate agencies in a given year. The Program was the subject of debate for many years and proposed legislation at least twice during FY 1994-95 and FY 1995-96. Assembly Bills 2766 and 772, respectively, were introduced as a result of dissatisfaction by several Regional Transportation Agencies over funding decisions impacting their regions.

At the heart of this legislative debate was the issue of urban vs. rural balance in the receipt of Elderly and Disabled Persons Transit funds. Some urban counties argued that they did not receive an equitable share of these funds. Rural counties, strongly united, argued that they were uniquely dependent on these funds because of the lack of alternate funding sources available to elderly and disabled transit providers in rural areas; moreover, they noted that the intent of this federal program was best fulfilled in rural areas for the very reason of limited alternative funding sources. This "urban vs. rural" argument was reflected in competing legislative proposals of formula-based vs. needs-based distribution of the funds. Moreover, some dissatisfaction was expressed on all sides with Caltrans' administration of the program.

At first, both bills were opposed by the Governor and defeated in the Senate Transportation Committee. However, AB 772 was granted reconsideration in FY 1995-96 and was subsequently signed by the Governor (Chapter 669, Statutes of 1996), assigning responsibility for that Program for the first time to the California Transportation Commission. The Commission's role in this Program was the result of legislative compromise, following extended impasse over reform.

Specifically, AB 772 placed three mandates on the Commission for this Program:

1. Direct Caltrans on how to allocate funds for the Program,
2. Establish an appeals process for the Program, and
3. Hold at least one public hearing prior to approving each program.

In order to comply with these mandates and develop an allocation process, the Commission directed its staff to work with a 15-member advisory committee, including representatives from regional planning agencies, State and local social service agencies, the California Association for Coordinated Transportation, and Caltrans. The process adopted by the Commission calls for project scoring by each Regional Transportation Planning Agency and subsequent creation of a statewide list by a State Review Committee integrating regional priority lists based on objective criteria adopted by the Commission. The Statewide Review Committee consists of representatives from the State Departments of Rehabilitation, Developmental Services, Aging, and Transportation. The Commission staff acts as facilitator/coordinator for the Committee. The process includes: 1) a staff level conference to discuss technical issues with project applicants and regional agencies; and 2) a public hearing conducted by the Commission. Following the conference and the hearing, the Commission then entertains any appeals and adopts the annual Program. Utilizing these new procedures, based upon the mandates in AB 772, the Commission has overseen the development of the Programs for FFYs 1996-97 through 2001-02.

### **FFY 2000-01 Program**

Last year, due to changes in the estimated available funding level and the re-scoring of a significant number of projects between its July and September meetings, the Commission established a Prioritized-Standby List of projects that would be first in line for funding if projects on the 100% list were unable to move forward or if additional funds became available. The Commission also stipulated that any projects remaining on the Prioritized-Standby List at year's end would be placed at the top of the FFY 2001-02 list for funding during that cycle. During FFY 2000-01, Caltrans was able to identify approximately \$1 million in Program funds from either cost savings or project deletions in previous years' cycles. Therefore, all projects on the Prioritized-Standby List were funded through previous years' funds, which made it unnecessary to fund any standby projects from the FFY 2000-01 cycle out of the FFY 2001-02 funding.

### **FFY 2001-02 Program**

For the FFY 2001-02 process, the staff level conference was held in July and the Commission's public hearing was held in August. Following the hearing, the Commission adopted the FFY 2001-2002 Program, containing projects equal to 110% of the estimated available funding level. This year, due to the rescoring of eight projects between its July and August meetings, the Commission approved a Prioritized List of projects that would be funded in priority order as funds become available. Typically, the Commission would only approve a prioritized list down to 110% of the estimated available funding, with any projects falling below the 110% level deemed ineligible for funding in that particular year. However, because of uncertainty in the estimated amount of federal funding and because a few projects above the 100% level on the July list had fallen below the 100% level after five projects were rescored, the Commission decided that all projects on the July draft list above the 100% funding level would remain on the final prioritized list as adopted in August and would be eligible for funding if additional funds become available.

The actual available funding for the FFY 2001-2002 Section 5310 Program came to \$9,617,219 (including the required 20% match)--\$411,655 less than the original estimated level of \$10,028,874. The Commission directed Caltrans to allocate funds to projects on the adopted list down to the level of actual available funding. Also, the Commission directed Caltrans to review projects from past cycles to identify potential cost savings and/or projects that are not moving ahead to allow for additional funding capacity. The current approved list would fund at least 82 agencies with 126 replacement vehicles, 65 service expansion vehicles and 31 supporting equipment projects for FFY 2001-02.

Volume II-O, FFY 2001-02 Elderly and Disabled Persons Transit Program

**SECTION 5310 STATEWIDE-PRIORITIZED LIST  
FFY 2001-2002 CYCLE**

<u>AGENCY</u>	<u>SERVICE COUNTY</u>	<u>EQUIPMENT</u>	<u>AMOUNT</u>	<u>TOTAL CUMULATIVE</u>
Access Services, Inc.	Los Angeles	14 V	\$560,000	\$560,000
AltaMed Health Services Corp.	Los Angeles	4 V, 1 MR	\$242,000	\$802,000
American Red Cross, SD/Imp.	San Diego	6 V, 7 MR	\$439,000	\$1,241,000
Angel View Crippled Children's Found.	Riverside	1 V, 1MR	\$48,500	\$1,289,500
ARC - Imperial Valley	Imperial	4 V, 4 MR	\$230,000	\$1,519,500
Bakersfield A.R.C.	Kern	3 V, 3 MR	\$172,500	\$1,692,000
Becoming Independent	Sonoma	2 V	\$90,000	\$1,782,000
Cal-Diego Paralyzed Veterans Association	San Diego	1 V	\$45,000	\$1,827,000
Casa Allegra Community Services	Marin	2 V	\$87,000	\$1,914,000
Charles I. Chenewith Foundation	San Diego	2V, 1BS, 2 MR	\$96,700	\$2,010,700
City of Chino Senior Center	San Bernardino	1 V	\$65,000	\$2,075,700
City of Huntington Beach	Orange	3 V	\$120,000	\$2,195,700
City of Millbrae - Parks & Rec. Dept.	San Mateo	1V, 1 MR, 1 CH	\$62,500	\$2,258,200
City of Richmond Paratransit Program	Contra Costs	2 V	\$94,000	\$2,353,200
City of San Mateo - Senior Services Division	San Mateo	1 V, 1 MR	\$46,500	\$2,398,700
Client Development Programs	San Joaquin	1 V	\$47,000	\$2,445,700
Community Health Foundation of East LA	Los Angeles	2 V, 2 MR	\$93,000	\$2,538,700
Community Hospital of San Bernardino	San Bernardino	2 V	\$112,000	2,650,700
Community Senior Service Agency	Los Angeles	5 V	\$325,000	\$2,975,700
Corona Regional Medical Center Foundation	Riverside	2 V, 8 MR, 1 BS	\$109,700	\$3,085,400
Costa Mesa Senior Center	Orange	1 V, 3 MR, 1 BS	\$55,200	\$3,140,600
County of Tuolumne	Tuolumne	1 V	\$56,000	\$3,196,600
Creative Alternative for Learning & Living	San Luis Obispo	1 V	\$47,000	\$3,243,600
Developmental Services of the Continuum Inc.	San Diego	2 V	\$80,000	\$3,323,600
East Los Angeles Remarkable Citizens Assoc.	Los Angeles	3 V, 3 MR	\$145,500	\$3,469,100
El Dorado County Area Agency on Aging	El Dorado	2 V, 2 MR	\$97,000	\$3,566,100
El Dorado County Transit Authority	El Dorado	3 V, 2 MR	\$148,000	\$3,714,100
EXCEED, A Div. Of Valley Resources	Riverside	6 V, 6 MR	\$249,000	\$3,963,100
Family Bridges, Inc.	Alameda	3 V	\$143,000	\$4,106,100
Food and Nutrition Services	Santa Cruz	5V, 5 MR, 29 MDC	\$266,500	\$4,372,600
Foundation for the Retarded of the Desert	Riverside	1 V	\$40,000	\$4,412,600
Fresno County Economic Opportunities	Fresno	8 V	\$448,000	\$4,860,600
Friends House	Sonoma	1 V	\$47,000	\$4,907,600
Gold Country Telecare, Inc	Nevada	2 V	\$90,000	\$4,997,600
Golden Rain Foundation of Laguna Woods	Orange	1 CH/CS	\$40,000	\$5,037,600
Golden Rays Senior Citizens	Sierra	1 V	\$47,000	\$5,084,600
Health View, Inc.	Los Angeles	2 V	\$112,000	\$5,196,600
Indian Health Council, Inc	San Diego	1 V	\$47,000	\$5,243,600
Inyo Mono Transit	Inyp	1 V	\$56,000	\$5,299,600
John W. King Senior Center	San Francisco	2 V	\$92,000	\$5,391,600
Kings View Work Experience Center	Merced	4 V, 3 OE	\$287,000	\$5,678,600
Korean Health, Education, Information	Los Angeles	3 V	\$130,500	\$6,487,438
Las Trampas, Inc.	Contra Costa	2 V	\$87,000	\$5,900,600
Mariposa County Dept. of Public Works	Mariposa	1 V	\$40,000	\$5,940,600
MediCab Mobile Ministries	Merced	4 V	\$188,000	\$6,128,600
Mental Health Consumer Concerns, Inc.	Contra Costa	3 V, 4 MR	\$149,200	\$6,277,800
Mesa Valley Grove Senior Programs	San Diego	1V	\$56,000	\$6,333,800

Volume II-O, FFY 2001-02 Elderly and Disabled Persons Transit Program

<u>AGENCY</u>	<u>SERVICE COUNTY</u>	<u>EQUIPMENT</u>	<u>AMOUNT</u>	<u>TOTAL CUMULATIVE</u>
Monterey-Salinas Transit	Monterey	3 V, 4 MR, 1 OE	\$185,500	\$6,519,300
North County Lifeline, Inc.	San Diego	6 V, 6 MR, 29 OE	\$342,600	\$6,861,900
Oldtimers Foundation	Los Angeles	3 V	\$135,000	\$6,996,900
On Lok Senior Health Services	San Francisco	2 V	\$94,000	\$7,090,900
Outreach and Escort, Inc.	Santa Clara	16 MR	\$39,773	\$7,130,673
Pacific Family Health, Inc.	Madera	1 V, 1 MR	\$48,500	\$7,179,173
Porterville Sheltered Workshop	Tulare	3 V, 8 MR, 1 OE	\$209,500	\$7,388,673
Prototypes	Los Angeles	4V	\$180,000	\$7,568,673
Rancho Cucamonga/Fontana Family YMCA	San Bernardino	1 V, 1 MR	\$57,500	\$7,626,173
San Benito County Local Trans. Authority	San Benito	3 V, 20 MR, 2 BS	\$198,400	\$7,824,573
San Diego-Imperial Counties Developmental	San Diego	1 CH/CS	\$29,706	\$7,854,279
Senior Service Agency of San Joaquin, Inc.	San Joaquin	1 V, 3 MR, 1 BS	\$55,200	\$7,909,479
Service First of Northern California	San Joaquin	6 V, 7 MR, 1 BS	\$296,200	\$8,205,679
Shanti	San Francisco	2 V	\$94,000	\$8,299,679
Sharp Healthcare Foundation	San Diego	3 V, 3 MR	\$124,500	\$8,424,179
Shascade Community Services, Inc.	Shasta	3 V	\$150,000	\$8,574,179
Shasta Senior Nutrition Programs, Inc.	Shasta	1 V	\$45,000	\$8,619,179
Shields for Families, Inc.	Los Angeles	2 V	\$90,000	\$8,709,179
Smooth Inc.	Santa Barbara	1 V, 1 MR	\$46,500	\$8,755,679
St. Madeleine Sophie's Training Center	San Diego	3 V, 1 MR	\$121,500	\$8,877,179
Tehama County Opportunity Center, Inc.	Tehama	1 V	\$65,000	\$8,942,179
The Blind Recreation Center of San Diego Inc.	San Diego	3 V	\$195,000	\$9,137,179
The Middle Way	Sonoma	1 V	\$45,000	\$9,182,179
Transitions Mental Health Association	San Luis Obispo	1 V	\$47,000	\$9,229,179
Transportation Specialist, Inc.	Riverside	1 V	\$65,000	\$9,294,179
Tulare County Training Center for Handicap	Tulare	1 V	\$47,000	\$9,341,179
UltraLife Adult Day Health Care	Los Angeles	3 V	\$125,000	\$9,466,179
United Cerebral Palsy - Ride On	San Luis Obispo	2 V, 10MR, 25MDT	\$164,500	\$9,630,679
United Cerebral Palsy of Greater Sac.	Sacramento	3 V	\$168,000	\$9,798,679
United Cerebral Palsy Stanislaus & Tuolumne	Stanislaus	1 V	\$47,000	\$9,845,679
United Indian Health Services	DelNorte/Hum.	1 V	\$45,000	\$9,890,679
Upper Solano Assoc. for Retarded Citizens	Solano	5 V, 5 MR, 1 OE	\$240,020	\$10,130,699
Vista Del Mar Child and Family Services	Los Angeles	2 V	\$80,000	\$10,210,699
Watch Resources, Inc.	Tuolumne	2 V, 2 MR	\$124,000	\$10,334,699
WestCare California	Fresno	1 V, 3 MR, 1 BS	\$48,200	\$10,382,899
White Memorial Medical Ctr. Charitable	Los Angeles	7 V	\$321,000	\$10,703,899
Work Training Center for the Handicapped	Butte	4 V, 4 MR	\$230,000	\$10,933,899
Work Training Programs, Inc.	Santa Barbara	1 V	\$40,000	\$10,973,899
Yolo Adult Day Health Center	Yolo	2 V	\$112,000	\$11,085,899

Legend - BS=Base Station, MR=Mobile Radio, SWC=Single Wheel Cutaway, SB=Small Bus, MB=Medium Bus, MV=Mini Van, CNG=Compressed Natural Gas, CH=Computer Hardware, CS=Computer Software, MDT=Mobile Data Terminal, MDC=Mobile Data Computer
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## II. 2001 ACTIVITY AND ACCOMPLISHMENTS

### P. Aeronautics Issues

#### Technical Advisory Committee on Aeronautics

Section 14506.5 of the California Government Code states, “The Chairman (of the Commission) shall appoint a Technical Advisory Committee on Aeronautics (TACA), after consultation with members of the aviation industry, airport operators, pilots, and other aviation interest groups and experts, as appropriate. This TACA shall give technical advice to the Commission on the full range of aviation issues to be considered by the Commission.” The current membership of TACA, listed below, represents on airport businesses, aviation divisions of large companies, air cargo companies, pilots and aircraft owners, managers of commercial and rural airports, managers of operations at major commercial airports, metropolitan planning organizations, federal and state aviation agencies.

This statutorily mandated advisory committee is of great value to the California Transportation Commission (Commission) in carrying out its responsibility to advise the Secretary of the Business, Transportation, and Housing Agency (BT&H) and the Legislature on State policies and plans for transportation programs in California.

**Commission’s Aviation Responsibilities** - The Commission’s primary responsibilities regarding aeronautics, include:

- advising and assisting the Legislature and the Secretary of BT&H in formulating and evaluating policies and plans for aeronautics programs;
- adopting the California Aviation System Plan (CASP), a comprehensive plan defining state policies and funding priorities for general aviation and commercial airports in California; and
- adopting and allocating funds under the three-year Aeronautics Program, which directs the use of State Aeronautics Account funds to:
  1. provide a part of the local match required to receive federal Airport Improvement Program (AIP) grants; and
  2. fund capital outlay projects at public-use airports through the California Aid to Airports Program (CAAP) for airport rehabilitation, safety and capacity improvements.

**TACA’s Activities During 2001** - During 2001, the TACA met five times. The work of the TACA focused primarily on developing a “White Paper On The State’s Role In Aviation.” This report, which is presented in Volume I of this Annual Report to the Legislature, identifies the need for a comprehensive review of the role and responsibilities of Caltrans' Division of Aeronautics and the funding sources for the various state programs related to aviation. At the July 12, 2001 Commission meeting, the TACA was given the Commission’s approval to undertake a joint effort with Caltrans, the

Business, Transportation and Housing Agency, and the Technology, Trade and Commerce Agency, to identify potential roles and policies for the State in developing California's aviation system. In addition to the White Paper, the TACA also:

- provided State policy guidance to Caltrans in the development of the Ground Access to Airports Study;
- advised the Commission to continue the local match rate required for State Aeronautics Program grants at 10%, this rate was adopted by the Commission on March 29, 2001;
- advised the Commission on adoption of the updated Policy Element of the CASP;
- cooperated with Caltrans and the Federal Aviation Administration (FAA) to coordinate State and federal aviation programs, including review of airport security needs.

**MEMBERS OF TECHNICAL ADVISORY COMMITTEE ON AERONAUTICS**

**Robert Abernethy**, President, Self Storage Management Company and American Standard Development Company

**Michael Armstrong**, Principal Planner, Southern California Association of Governments

**Herman Bliss**, Ex Officio, Manager, Western Region Airports Division, Federal Aviation Administration.

**Daniel Burkhardt**, TACA Vice Chairman, Regional Representative, National Business Aviation Association

**Curt Castagna**, President, Aeroplex Aviation (Long Beach Airport)

**Steven Irwin**, Airside Operations, Oakland International Airport

**Jack Kemmerly**, TACA Chairman, California Regional Representative, Aircraft Owners and Pilots Association

**Chris Kunze**, Manager, Long Beach Airport

**Harry A. Krug**, Airport Manager, Colusa County Airport

**Mark F. Mispagel**, Special Counsel, El Toro Master Development Program

**Alan R. Tubs**, District Field Services Manager, Airborne Express, Mather Field

**Austin Wiswell**, Ex Officio, Chief, Division of Aeronautics, California Department of Transportation

**California Aid to Airports Matching Rate**

The Commission is required to annually establish a rate between 10% and 50% at which local governments must match California Aid to Airports Program grants in the State Program for Aeronautics. The Commission's TACA recommended that the Commission continue the long-standing

matching rate of 10% for FY 2000-01 in order to ensure that the maximum number of airports can participate in the State aeronautics funding programs and to be consistent with the matching rate required for federal AIP grants. Further, a low-match rate does not result in a small number of large grants because statute limits program grants to a maximum of just \$500,000. The Commission adopted a resolution on March 29, 2001, maintaining the matching rate at 10%, and continued the commitment it made in 1995 to consider changing the required matching rate only at the time of the biennial adoption of the Aeronautics Program in order to ensure that the matching rate for a specific project would not be changed once it was included in the program.

### **Ground Access to Airports Study**

In July 2001, the Caltrans Aeronautics Program completed a Ground Access to Airports Study. Project oversight and coordination included the Commission's TACA which provided State policy guidance, and the Aeronautics Program's RTPA Aviation System Planning Committee which provided technical and regional policy guidance. The report focused on 48 airports including large, medium and small commercial airports, general aviation airports, cargo airports and military airports. Space launch facilities at Vandenberg Air Force Base (AFB), Edwards AFB and Sea Launch in the Port of Long Beach were also considered in the Ground Access to Airports Study

### **Ground access needs identified in the study are summarized below.**

- Ten large and medium commercial airports were included in the study. These airports account for projects costing \$5.8 billion, the vast majority (96%) of the total ground access needs identified in the study; of these, the dominant airport, in terms of ground access needs was Los Angeles International at \$4.2 billion, with the remaining \$1.6 billion identified in conjunction with the other nine large and medium commercial facilities. The types of access improvements identified in the study include \$2 billion (35%) for alternative modes (primarily rail), \$1.7 billion (29%) for parking facilities, \$1.6 billion (27%) for roadway improvements, \$0.5 billion (9%) for goods movement projects.
- Seventeen small and non-hub airports were included in the study. Only seven of these provided cost estimates for needs related to ground access. The total cost of the identified projects is \$168 million. The largest reported need is a cross border terminal for Aeropuerto de Tijuana with a cost of \$80 million. The other needs are primarily for roadway access including goods movement limitations, inadequate lane width and number of lanes, poor traffic control, and parking needs.
- Thirteen general aviation airports were included in the study. Eight of these reported ground access needs. The total cost of the reported projects is \$37 million, including \$25 million for Palmdale Airport's need for high occupancy vehicle lanes on State Route 14.
- Four cargo airports were included in the study. Three reported ground access needs with a total cost of \$13 million, two-thirds of these costs are accounted for by Southern California Logistics

Airport near Victorville. The identified needs focus on roadway improvements to facilitate the heavy truck traffic using these airports.

- Four military airports were included in the study. Only one, March Air Reserve Base/Inland Port, reported ground access needs. The reported needs cost \$9 million primarily for roadway access improvements.

**Report recommendations include:**

- The State should take a leadership role in advocating greater federal involvement in airport ground access funding through the reauthorization of the federal surface transportation program in 2002, including greater flexibility in the use of Passenger Facility Charge revenues and airport revenues, and federal funding of “airport ground access projects of national significance”;
- The State should provide funding for airborne cargo distribution improvements;
- Caltrans should systematically include airport ground access projects in the Inter-Regional Transportation Improvement Program;
- The next iteration of the State Transportation Plan should include Airport Ground Access Priorities;
- Caltrans should work with regional transportation planning agencies to include airport ground access projects in their Regional Transportation Improvement Programs;
- Caltrans Economic Impact Report of the Aviation Industry should quantify the value of airports to regional economies, the role of airport ground access, and the value of Satellite Terminals and transit access to airports for congestion relief;
- Caltrans should develop an interactive computerized system to maintain the state’s Airport Layout Plans and Master Plans;
- Caltrans should integrate the Aeronautics Program into the project development process for airport ground access projects programmed in the State Transportation Improvement Program.

**Report on Aviation and Economic Development in California**

A consistent problem in trying to deal with airport system planning and development issues at all governmental agency levels relates to an inability to articulate how aviation impacts the lives of California’s residents and its economy. In 1988, Caltrans Aeronautics Program and the Office of Economic Research (now the Trade and Commerce Agency) prepared a report at the request of the Legislature on the economic impact of aviation in California. The report has not been updated since. In the past ten years, the global economy has expanded, air cargo and business aviation has increased

dramatically, military bases have closed, the aerospace industry has been reduced and there has been a decline in recreational aviation. To better understand the economic impact of aviation in today's economy, it is necessary to prepare an updated report. Caltrans Aeronautics Program began work on a report, with consultant services, to analyze the impact of aviation on California's economy; the report will include:

- quantification and documentation of aviation's direct role in the State's economy by the various types of aviation transportation;
- value of the commerce that flows through California airports (current and historical);
- aviation's contribution to the State's tax revenues;
- direct economic impact of each of the 13 "hub" airports in California;
- estimated direct economic impact of a typical "non-hub" airport in the State;
- the importance of non-military, government aviation (fire suppression, law enforcement, FAA activities in California, etc.); and
- recommendations for improving the airport system so that future economic growth is not constrained.

### **California Aviation System Plan (CASP) Policy Element**

The CASP Policy Element consists of 18 policies and implementing actions that reflect the purpose, mission, vision and goals for California's aviation system. The policy update reflects Caltrans' involvement in the promotion of space technology in California. The update of the CASP Policy Element was adopted by the Commission November 7, 2001, with the request that Policy 5 be revised within the next few months to address airport security needs identified in the wake of the terrorist attacks of September 11, 2001. Each of the policies provide guidance and direction in the following areas:

1. Guides the Department's development of the CASP to meet the State's immediate and future air transportation needs;
2. Guides the Department's institutional relationships concerning aviation system development through coordination with federal, state, regional and local agencies and the private sector;
3. Directs the Department's involvement in airspace planning efforts with the federal, regional, the military agencies, and other airspace users to achieve safe, efficient and effective use of airspace in California;
4. Guides the Department's efforts in aviation research and development;
5. Guides the Department's actions in its several aviation safety and regulatory functions;
6. Guides the Department's regulatory role in aviation noise issues;

7. Guides the Department's role in identifying and recommending actions to address aviation system capacity needs in California;
8. Guides the Department's involvement in environmental review of proposed land use compatibility with the aviation system;
9. Guides the Department's involvement in land use planning to ensure compatibility between airports and surrounding land uses;
10. Guides the Department's involvement in the development of improved ground access to public-use airports for both passengers and cargo activities;
11. Guides the Department's activities to promote adequate air transportation access to the aviation system for all state residents;
12. Guides the Department's participation in providing funding for aviation projects identified in the CASP;
13. Guides the Department's efforts to develop a statewide assessment of aviation capital needs through the CASP Capital Improvement Program;
14. Guides the Department's role in providing technical aviation expertise in engineering, planning, and operational matters to airport management and other aviation partners;
15. Guides the Department's role in promoting economic development through assisting airports in maintaining economic viability and financial stability;
16. Guides the Department's role in developing efficient and effective air cargo movement;
17. Guides the Department's role in the promotion of the space technology industry in California; and
18. Guides the Department's involvement in the development of performance measures for the aviation transportation mode.