

**AGENDA:** June 3, 2004

**TO:** Regional Transportation Commission

**FROM:** Linda Wilshusen, Executive Director

**RE:** Report on California Transportation Commission Hearings on the 2004 State Transportation Improvement Program (STIP)

---

## **RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission:

1. Accept this update on the 2004 State Transportation Improvement Program (STIP);
  2. Accept information on Commission staff work in response to Commission direction on the 2004 Regional Transportation Improvement Program (RTIP);
  3. Direct staff to continue to work with California Transportation Commission (CTC) staff to correct the summary of SCCRTC's 2004 Regional Transportation Improvement Program and to obtain STIP funding for the Highway 1/17 Merge Lanes Project and the MetroBase project;
  4. Direct staff to continue to work with local legislators, CTC staff, Caltrans, and Santa Cruz Metropolitan Transit District (SCMTD) on STIP or other options to complete the funding package for implementation of the MetroBase project and the Highway 1/17 Merge Lanes Project ; and
  5. Direct staff to return to the August 19, 2004 Transportation Policy Workshop meeting with a report on the California Transportation Commission's (CTC) action on the 2004 STIP and recommendations if the CTC does not include MetroBase in the 2004 State Transportation Improvement Program or Highway 1/17 in the early years of the 2004 STIP.
- 

## **BACKGROUND**

At the Commission's May 20, 2004 Transportation Policy Workshop (TPW), Commission staff provided an update on the *2004 State Transportation Improvement Program (STIP)*, highlighting the ongoing efforts to secure \$7.8 million in new STIP funds for the MetroBase project and to ensure that construction of the Highway 1/17 Merge Lanes can begin in August 2005. As noted at the April 1 and May 20<sup>th</sup> meetings, the SCCRTC is owed \$10.8 million in STIP funds and the SCCRTC hopes to get \$7.8 million of these funds in the 2004 STIP for MetroBase. At the TPW meeting, staff distributed letters from Assemblymember Laird and Senator McPherson to the California Transportation Commission (CTC), a summary of the May state budget proposal, and an update on STIP Funding for the MetroBase Project. The update on STIP funding for the MetroBase project is attached ([Attachment 1](#)). At the TPW meeting several questions were raised regarding the *2004 Santa Cruz County Regional Transportation Improvement Program (RTIP)* that was submitted to the California Transportation Commission (CTC).

## **DISCUSSION**

### **MetroBase Project**

At the TPW meeting, some Commissioners were under the mistaken impression that staff had not submitted to the CTC our request to program \$7.8 million in STIP funds to the Transit District's MetroBase project. Staff did indeed follow the Commission's direction and submitted to the state the funding proposal for the MetroBase project as part of our *2004 Regional Transportation Improvement Program (RTIP)*. Tables from the 2004 RTIP related to programming funds to this project are attached ([Attachment 2](#)).

At the TPW meeting, Commissioner Keogh stated his view that staff had not followed the Commission's direction regarding the year the MetroBase project is listed in the 2004 RTIP. Commissioner Keogh had remembered his motion as programming funds for MetroBase in FY04/05. Subsequent to the TPW meeting, Commissioner Keogh and staff reviewed the minutes and video tape from the April 1, 2004 meeting when the Commission adopted the 2004 RTIP and confirmed that staff did indeed follow Commission direction. The motion made by Commissioner Keogh and unanimously approved by the Commission at the April 1, 2004 meeting actually shifted the funds under the Backup Plan to FY07/08 rather than FY08/09. Commissioner Keogh also said at the May 20, 2004 TPW meeting that the RTIP did not designate those funds as an AB3090 reimbursement. Figure 5 of the 2004 RTIP that was submitted to the CTC does include the AB3090 designation for MetroBase ([Attachment 2](#)).

As a reminder, the first choice submitted to the CTC (Figure 4 of the Regional Transportation Improvement Program, see [Attachment 2](#)) requests that the CTC program funds in the year each project will be ready to use those funds. Since MetroBase will be constructed over several years, Transit District staff indicated before the April 1<sup>st</sup> meeting that it was acceptable to have the funds programmed for a regular allocation in FY06/07 under the first choice scenario. Under the second choice/backup plan scenario (Figure 5 of the RTIP), the 2004 RTIP proposes to use GARVEE bonds and AB3090 reimbursements in order to meet the CTC's annual programming targets and to free up sufficient capacity to ensure the MetroBase project can be programmed in the 2004 STIP. According to Les White, he will be comfortable recommending his board issue bonds for the MetroBase project as long as the project is included in the 2004 STIP, even if the CTC cannot program the project for an AB3090 reimbursement until FY08/09.

### **Corrections to CTC Staff Summary**

The initial CTC staff summary of our RTIP fails to accurately reflect or represent either of the 2004 RTIP proposals submitted by the SCCRTC to the CTC, both of which included \$7.8 million for the MetroBase project. This erroneous CTC staff summary has been the source of confusion for Commissioners and the Transit District. Staff has requested that the CTC staff revise the summary to accurately reflect the proposals submitted in the 2004 RTIP. Staff has reiterated to CTC staff that the 2004 RTIP proposal includes \$7.8 million for MetroBase and an AB3090 reimbursement in FY07/08 for the project. The CTC staff recommendations will not be available until mid-July. The CTC will vote on the STIP at its August 5, 2004 meeting.

## **What Happens if MetroBase is not included in the 2004 STIP Adopted by the CTC?**

Everyone is in agreement that the MetroBase project is one of the most important transportation projects in Santa Cruz County. The Commission and Transit District, our local legislators, our legislative assistants, and members of the public are urging the CTC to ensure the MetroBase project is funded. The Commission will continue to emphasize that our region is owed \$10.8 million in STIP funds and the SCCRTC hopes to get \$7.8 million of these funds in the 2004 STIP for MetroBase.

If these efforts fail, staff will return to the Commission's August 19<sup>th</sup> TPW meeting with options to complete the funding picture for MetroBase. Some of these options were listed at the end of the handout from the May 20, 2004 meeting ([Attachment 1](#)). For example, the Commission could temporarily deprogram funds from projects that will not be ready to use those STIP funds prior to adoption of the 2006 STIP, then reprogram the same level of STIP funds to those projects, once they become available.

The larger issue is ensuring that the SCMTD completes the MetroBase funding package soon so that the project can be implemented as soon as possible to meet Air Resources Board mandates and community needs. So far, SCCRTC's participation has been limited to securing the STIP funds. Staff plans to request a meeting with SCMTD staff soon in order to more fully understand the financial and project implementation issues and to be of greater assistance in pursuing STIP or other options to complete the funding and implementation packages. Staff will consult with the Commission's on-call project financing and implementation specialist, Eileen Goodwin of Apex Strategies, for her counsel on securing STIP or other funds for MetroBase.

## **Highway 1/17 Merge Lanes Project**

As reported at past Commission meetings, another issue related to adoption of the 2004 STIP is the year in which funding will be available for the Highway 1/17 Merge Lanes project. The Commission has requested in its 2004 RTIP that funds for this project be made available in FY04/05 in order to meet the August 2005 construction schedule and submitted as a backup plan for the 2004 RTIP an option to consider using GARVEE bonds for the project. If the CTC rejects the Commission's proposals, the project could have to wait until August 2007 or later to begin construction due to the fiscal constraint of the 2004 STIP. If the CTC rejects the Commission's first choice proposal, staff will return to the Commission's August 17, 2004 meeting to seek Commission approval to pursue using GARVEE bonds to keep the project on schedule. If the CTC agrees to use GARVEE bonds to pay for the project, this would free up approximately \$20 million in the 2004 STIP to program to other projects. Commission staff continues to advocate that in this instance at least \$10.8 million of the freed up funds (the amount owed to the region in the 2004 STIP) be returned to our region for programming. Commission staff will work with Eileen Goodwin, Caltrans, and CTC staff on securing GARVEE bonds for the project if the CTC rejects the Commission's request for a regular allocation in FY04/05. The CTC is anticipated to decide which projects should receive GARVEE bonds in December 2004.

## **SUMMARY**

The 2004 Santa Cruz County Regional Transportation Improvement Program (RTIP) submitted to the California Transportation Commission (CTC) in April 2004 included \$7.8 million in regional State Transportation Improvement Program (STIP) funds for the MetroBase project and a request to make \$39 million in funds programmed for the Highway 1/17 Merge Lanes project available in the first year of the STIP in order to allow the project to meet its August 2005 construction schedule. Some misunderstandings about the listing of MetroBase in the RTIP were raised at the TPW meeting and have since been cleared up. The Commission will continue to work with the Transit District, our local legislators, our legislative assistants, our consultants, and Caltrans to urge the CTC to ensure that the SCCRTC receives its fair share of STIP funds and that both the MetroBase project and the Highway 1/17 Merge Lanes project are included in the 2004 State Transportation Improvement Program (STIP), as requested in the 2004 RTIP.

### **Attachments:**

1. Handout from the May 20, 2004 meeting – Update on STIP Funding for MetroBase
2. Tables from the 2004 RTIP related to programming funds to MetroBase

Prepared by: Rachel Moriconi, Senior Transportation Planner  
\\Rtcserv1\Shared\RTC\2004\0604\STIPUpdate2.doc