

Update on STIP Funding for the MetroBase Project

Summary

It is challenging for our region to secure its \$7.8 million in 2004 State Transportation Improvement Program (STIP) funds for the MetroBase project (plus another \$3M we should be getting for other projects) due to a number of reasons:

- poor/inequitable transportation funding decisions at the state level (not locally by RTC), such as allowing some regions in the state to get more than their fair share of funds and the state taking transportation funds for other state programs
- previous delays to the MetroBase project
- a complex process for approving the 2004 STIP which will occur in several steps in the next 3 to 7 months:
 1. The California Transportation Commission (CTC) will make its primary decisions about the 2004 STIP in August.
 2. The CTC will make its decisions about GARVEE bonds for the Highway 1/17 project by the end of the calendar year, which could release funding for the MetroBase project.

SCCRTC and SCMTD staffs and our state legislators are working on all fronts to secure STIP funding for the MetroBase project as soon as possible.

Details

1998-1999 - STIP funding is programmed for MetroBase

- \$6 Million (M) programmed in 1998 STIP
- \$1.8M added in 1999, for total of \$7.8M
- STIP funds are programmed for construction in 2000, per the Project Study Report prepared by SC Metro

2002 - MetroBase loses its original STIP Funding – deadlines not met

- SC Metro has a protracted review of its first site; changes to current Harvey West site
- Due to the time taken by the site change, SC Metro was not able to meet the CTC's "use it or lose it" deadlines and the STIP funds for MetroBase lapse (the original deadline to request the funds was June 2000, the CTC granted a 20-month extension through February 2002, but the Metro was not able to meet the extended deadline)
- Based on the CTC's rules and SB45, lapsed STIP funds are not available to a region again until the next STIP cycle (which is the 2004 STIP)

Spring 2002 - SCCRTC promises to give MetroBase funding in next STIP cycle (2004 STIP)

- SCCRTC staff recommends and the SCCRTC approves promising MetroBase \$7.8M in the 2004 RTIP
- Temporarily flush with funds, the CTC gives some regions in the state more than their fair share (county share) of funds in the 2002 STIP (through "program advances")

2002-2003 – **Availability of STIP funds decreases**

- To help solve the state budget crisis, Governors Davis and Schwarzenegger and legislature borrow or take STIP funds for other, non-transportation purposes

Winter 2003/2004 – **STIP Fund Estimate and criteria released by CTC**

- Santa Cruz County's balance of STIP funds for the 2004 STIP (county share) is \$10.8 million
- CTC's STIP Fund Estimate and criteria show that the CTC can only guarantee programming \$148,000 of our region's \$10.8 million to new projects right now for two main reasons noted above: state budget crisis and program advances to other counties
- Many other regions also will get less than their county shares; others will get more than their county shares – basic inequity
- CTC's criteria consider MetroBase a new project, since it wasn't in the 2002 STIP

April 2004- **SCCRTC includes MetroBase in 2004 Regional Transportation Improvement Program (RTIP)**

- Staff recommends and SCCRTC approves same amount as in 2000 STIP, \$7.8M, for MetroBase project
- Staff notes that strict application of the CTC criteria will result in the MetroBase project not automatically receiving funding
- All other projects included by the SCCRTC in the 2004 RTIP for Santa Cruz County are projects from the 2002 STIP
- The 2004 RTIP moves 2002 STIP projects to later years to comply with CTC criteria and based on project readiness

May 2004 - **CTC initial staff analysis does not include MetroBase**

- The CTC staff's initial analysis of the regional RTIPs applies its criteria, including the limitation of \$148,000 funds for new projects in Santa Cruz County
- The CTC's staff recommendations will be available in mid-July.

May 2004 - **SCCRTC works with SCMTD to secure MetroBase funds in 2004 STIP**

- Staff works with our legislative assistants and staff of Senator McPherson and Assemblymember Laird to write letters to the CTC supporting the two primary and most challenging aspects of the 2004 RTIP for Santa Cruz County
 1. Obtaining STIP funding for MetroBase
 2. Getting the Hwy 1/17 Merge Lanes project programmed so that it can go to construction soon (rather than 2008, according to the CTC STIP criteria)
- Assemblymember Laird, SCCRTC Deputy Director Dellin and Les White, General Manager of SCMTD, attend and testify at the CTC's Northern California STIP hearing on May 13, 2004 to advocate for the two projects

May 2004 – **Governor's proposed May revision of the state budget includes more STIP funds**

Next Steps to Ensure the MetroBase Project is Funded

- **Continue advocating for incorporation of the 2004 RTIP in the STIP to ensure equity:** Above all else, SCCRTC staff will continue to work with our legislators, the Transit District staff, our legislative assistants, our regional agency organizations and regions in similar situations to urge the CTC to do what is fair and allow the SCCRTC to access its county share funds that should be available to Santa Cruz County in the 2004 STIP, including the \$7.8 M for MetroBase.
- **Urge the CTC to first program projects in the STIP that are ready to go to construction immediately**
 - The CTC likes to see construction happen as soon as possible with its state funds
 - MetroBase and Highway 1/17 Merge Lanes projects are ready to go to construction in 2005
 - Several projects programmed in other regions in the state will not be ready to go to construction until fiscal year 2008/09 at the earliest
- **Urge the CTC to allow SCCRTC to fund Metro-Base from GARVEE release**
 - If the CTC approves using GARVEE bonds for the Hwy 1/17 project, up to \$20M may be released in the 2004 STIP
 - Use one-third of the amount released to fund MetroBase
- **More money is coming:**
 - The Governor's May Budget Revise proposal adds additional funds to the State Highway Account and Public Transit Account which go into the STIP
 - TEA-21 Reauthorization proposals increase the amount of funding for the STIP
 - GARVEE bonds statewide will increase the amount of funding available in the 2004 STIP
- **Special 2005 STIP:** Based on all of the anticipated new funding sources, CTC staff anticipate that the CTC will have a 2005 STIP, in which they will be able to program additional funds to all regions in the state
- **If the various 2004 STIP options do not pan out and there is not a promise of a 2005 STIP,** other options to front funds or phase the MetroBase project will need to be developed.
 - The Commission could consider temporarily deprogramming one or more projects in the later years of the STIP, and commit to reprogramming those funds as soon as additional funds are available – however, deprogramming should *not* be considered until after all the 2004 STIP approvals have been made, because deprogramming any funds sooner will not yield funds for MetroBase – the CTC is likely to give the freed-up funds to other counties
 - The Commission and/or HCA could consider fronting the MetroBase funds from the sales tax measure, if it passes
 - The MetroBase project could be phased and the STIP funds be provided to it as soon as they are available

Definitions:

State Transportation Improvement Program (STIP): state-wide funding document for major transportation improvement projects; California Transportation Commission sets fund estimate, county shares and criteria for funding

Regional Transportation Improvement Program (RTIP): local funding document for STIP funds; created by the SCCRTC and submitted to the CTC for incorporation in the STIP