

TO: Regional Transportation Commission  
FROM: Linda Wilshusen, Executive Director  
RE: Update on the 2004 State Transportation Improvement Program (STIP)

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## **RECOMMENDATIONS:**

Staff recommends that the Regional Transportation Commission:

1. Direct staff to report at the August 19 Transportation Policy Workshop the actions taken by the California Transportation Commission regarding adoption of the *2004 State Transportation Improvement Program (STIP)*; and
  2. If the *2004 STIP* differs from the SCCRTC's *2004 Santa Cruz County Regional Transportation Improvement Program (RTIP)*, direct staff to work with the Interagency Technical Advisory Committee (ITAC) to develop recommendations to the Regional Transportation Commission on any follow-up actions.
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## **BACKGROUND**

On April 1, 2004 the Regional Transportation Commission adopted the *2004 Regional Transportation Improvement Program (RTIP)*, nominating projects for inclusion in the *2004 State Transportation Improvement Program (STIP)*, as shown in [Attachments 1 and 2](#). The California Transportation Commission (CTC), which adopts the STIP every other year, makes the final determination on which projects are included in the STIP and what year funds will be available for each project.

For the past several years the State of California has faced multi-billion dollar budget deficits. As a result, funds earmarked for transportation have been loaned to the State General Fund, forcing the California Transportation Commission (CTC) to suspend allocations to most transportation projects over the past two fiscal years and significantly reducing the amount of State Transportation Improvement Program (STIP) funding projected for FY04/05 and FY05/06 in the 2004 STIP Fund Estimate. Additionally, reauthorization of the federal transportation act (TEA-21) has been stalled, causing uncertainties about the levels of funding that will be available in the STIP.

It is likely that adoption of the FY2004/05 State Budget, financial arrangements being made for future state budgets, and reauthorization of TEA-21 will increase the amount of funding available for STIP projects. However, due to the timing of the 2004 STIP adoption, any state or federal funding increases will not be immediately available in the 2004 STIP. Instead, the CTC will likely amend the STIP over the next year, perhaps even in the next few months, to account for the expected changes in funding availability.

## DISCUSSION

On July 15, 2004, CTC staff released its recommendations for the *2004 State Transportation Improvement Program (STIP)* (Attachment 3). The CTC is scheduled to adopt the 2004 STIP at its August 5, 2004 meeting. The Santa Cruz County 2004 RTIP programmed STIP funds to 26 projects. CTC staff has recommended the 2004 STIP include 25 of these projects, with 17 of these projects to be programmed as listed in the SCCRTC's RTIP.

Due to the shortfall of STIP funds in FY04/05 and FY05/06 and since the STIP Fund Estimate showed nearly no capacity for new projects in the state through FY08/09, in part due to the loans to the General Fund from the State Highway Account and over programming of funds to other counties in the 2002 STIP, the CTC staff recommendation does not match the requests made by the RTC in the 2004 RTIP for nine projects. The following is a summary of differences between the CTC staff recommendation and the 2004 RTIP.

- 1. Highway 1/17 Merge Lanes:** Even though the 2004 STIP Fund Estimate projected severely limited levels of funding in FY04/05 and FY05/06 for STIP projects, CTC staff has recommended programming the region's largest STIP project, the Highway 1/17 Merge Lanes project, in FY05/06, one year later than requested by the SCCRTC.

Caltrans has preliminarily indicated that funding in the FY05/06 year will allow it to meet its August 2005 construction schedule for the project. If the CTC agrees to program the project in FY05/06, the region will not have to use GARVEE bonds to keep the project on schedule, as previously discussed. This is good news. Not using GARVEE bonds will save the region \$5-12 million that we would have otherwise had to pay to cover the interest costs of the bond.

- 2. MetroBase:** This project, which was programmed in the STIP until funds were deleted from the STIP due to "use it or lose it" deadlines in early 2002, has not been recommend by CTC staff for 2004 STIP funding. CTC staff's reasoning is that adding the MetroBase consolidated bus operations facility would exceed statewide programming capacity. Although not within statewide programming capacity targets for the 2004 STIP, the \$7.8 million cost of the MetroBase project is well within Santa Cruz County's \$10.8 million county share balance. Statewide programming capacity is limited in large part because the CTC over-programmed funds in the 2002 STIP to other regions. The CTC staff recommendation instead focuses on keeping projects in the 2004 STIP that were in the 2002 STIP, thus maintaining over-programming in some regions and under-programming in other regions such as ours.

We continue to work with our local state legislators and the CTC to obtain our county's fair share of STIP funding and program the MetroBase project. Over the past two months, Commission and Transit District staffs and our legislative assistants have worked with elected officials and local community groups to advocate for inclusion of the MetroBase project in the 2004 STIP. Copies of some of the letters that have been sent to the CTC are attached (Attachment 4). Follow-up steps are discussed later in this report. RTC staff will also be meeting with Metro staff to gain a fuller understanding of the programmed and unprogrammed revenues and expenditures associated with the MetroBase project.

- 3. El Rancho AB3090 Reimbursement:** This project was initially proposed for a reimbursement in FY06. The CTC staff recommendation is to have the reimbursement in FY07.
- 4. Rail ROW Acquisition:** CTC staff recommends an AB3090 reimbursement for this project in FY09. The RTIP “first choice” was to program this project in FY04/05 for a regular allocation and in FY08 for an AB3090 as a backup.
- 5. 41st Ave Rehabilitation (Capitola):** The CTC staff recommendation shifts funds to FY06 for this project (rather than FY05 as recommended in the RTIP).
- 6. Amesti Rd Reconstruction (County):** CTC staff recommends shifting funds to FY06 for this project (rather than FY05 as recommended in the RTIP).
- 7. AB3090 Replacement Project (Santa Cruz):** The CTC staff recommendation shifts funds to FY06 for this project (rather than FY05 as recommended in the RTIP).
- 8. Highway 1 Freeway Service Patrol:** The RTIP programmed \$78,000 in FY05. The CTC staff recommendation shifts those funds into FY06.
- 9. Planning, Programming and Monitoring:** The RTIP’s “first choice” programmed \$150,000 per year for this program. The CTC staff recommendation reflects the “backup plan”, programming only \$76000-\$77000 for the first three years.

### **Next Steps If Adopted 2004 STIP Does Not Match 2004 RTIP**

RTC staff will return to the Commission’s August 19, 2004 Policy Workshop with a report on the adopted 2004 STIP. If the adopted 2004 STIP does not closely reflect the 2004 RTIP – a likely scenario at this point - staff will consult with sponsoring agencies and work with the Interagency Technical Advisory Committee (ITAC) to develop a recommendation to the Commission on how to minimize potential delays to various projects, and other options. In any event, the RTC will need to amend the 2004 RTIP to make it consistent with the adopted 2004 STIP. A public hearing is needed to amend the RTIP. As discussed earlier, it is possible that the 2006 STIP will include a higher level of funding from both state and federal sources; also, there may be an earlier STIP funding process than the expected 2006 cycle.

Should MetroBase not be included in the 2004 STIP, the RTC may decide to secure additional funding for MetroBase by programming future Regional Surface Transportation Program (RSTP) funds to the project or by temporarily removing one or more projects from the 2004 RTIP. If the RTC decides to remove projects from the RTIP, the details and consequences for the project(s) proposed for deprogramming will need to be considered carefully. The amended RTIP, if it is not consistent with the adopted 2004 STIP, would be forwarded to the CTC for their consideration and incorporation into the 2004 STIP.

## **SUMMARY**

The California Transportation Commission (CTC) is scheduled to adopt the 2004 STIP on August 5<sup>th</sup>, the same day as this SCCRTC meeting. Attached are the CTC staff recommendations for the 2004 STIP (Attachment 3). The CTC staff recommendations differ for nine of the twenty-six projects in the SCCRTC's 2004 RTIP. Staff will report on the adopted STIP at the August 19, 2004 Transportation Policy Workshop meeting. Staff will work with the ITAC to develop recommendations if the adopted 2004 STIP does not closely reflect the 2004 RTIP.

### Attachments:

1. SCCRTC's 2004 RTIP – First Choice
2. SCCRTC's 2004 RTIP – “Backup Plan”
3. CTC Staff Recommendations
4. Letters to the CTC

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