

**AGENDA:** September 2, 2004

**TO:** Regional Transportation Commission

**FROM:** Linda Wilshusen, Executive Director

**RE:** FY 2003/04 Optional Federal Exchange and State Match Program -  
Regional Surface Transportation Program (RSTP) Exchange Program

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## **RECOMMENDATION**

The Interagency Technical Advisory Committee and staff recommend that the Regional Transportation Commission:

Adopt a resolution (Attachment 1) amending the FY04/05 budget to exchange approximately \$2.3 million in federal RSTP funds for state funds for seven projects.

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## **BACKGROUND**

Annually, typically after approval of the Federal Appropriations bill for a given federal fiscal year, Caltrans provides State highway account funds to the Santa Cruz County region to exchange with the federal Regional Surface Transportation Program (RSTP) funds. These state funds have fewer restrictions on their use and therefore are a very flexible source of funds for local projects. Projects that have already been programmed for RSTP funds are eligible to request an exchange of these federal funds for the more flexible state funds. Upon receipt of requests from local project sponsors, the Commission allocates the funds, with earlier-programmed projects receiving priority. Projects that receive these funds should be ready to go to construction or otherwise be implemented within the next twelve months.

## **DISCUSSION**

For Federal Fiscal Year 2003/04 Caltrans exchanged nearly \$2.4 million of our region's annual apportionment of federal RSTP funds for state funds. An additional \$225,000 is provided directly to the County of Santa Cruz. In addition, the Commission has a \$47,000 balance from interest earned on not yet reimbursed exchange funds for previously approved projects and unallocated balances from prior years. Additionally, the City of Capitola has requested that \$268,000 in RSTP Exchange funds previously exchanged for phase 2 of the Capitola Village Multimodal Enhancement project be reverted back into RSTP funds. This project is experiencing delays, in part due to the City's own budget shortfalls. In total, approximately \$2.7 million is available for the RSTP exchange program this year.

Project sponsors have requested to exchange their RSTP funds for seven projects that will be delivered within the next twelve months (Exhibit A). There are adequate funds available to accommodate all of these requests. It is anticipated that project sponsors will request to exchange their federal RSTP funds for state-only funds for other projects in future years.

**The Interagency Technical Advisory Committee and staff recommend that the Regional Transportation Commission adopt a resolution (Attachment 1) exchanging federal RSTP for state highway account funds for these seven projects totaling approximately \$2.3 million and amend the RTC's FY04-05 budget and the Regional Transportation Improvement Program (RTIP) to reflect these exchanges.** The balance of funds will be held in reserve for future exchange.

After the Commission approves exchanges, local sponsors will need to sign a new RSTP Exchange agreement with the Regional Transportation Commission, then can invoice the Commission for the funds within six months of starting their project or upon completion of the project.

## **SUMMARY**

Annually, Caltrans provides state highway account funds to the Santa Cruz County region to exchange with federal Regional Surface Transportation Program (RSTP) funds. This year, approximately \$2.7 million is available to local project sponsors. The ITAC and staff recommend the Commission adopt a resolution exchanging federal RSTP funds for state funds for seven projects that will be delivered within the next twelve months.

Attachment 1: Resolution

Exhibit A: Projects Recommended to Receive 2003/04 RSTP Exchange Funds

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