

**TO:** Regional Transportation Commission

**FROM:** Rachel Moriconi, Senior Transportation Planner

**RE:** FY 2004/05 Optional Federal Exchange and State Match Program -  
Regional Surface Transportation Program (RSTP) Exchange Program

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## **RECOMMENDATION**

Staff recommends that the Regional Transportation Commission adopt a resolution (Attachment 1) to exchange approximately \$3.4 million in federal Regional Surface Transportation Program (RSTP) funds for state funds (RSTP Exchange) for nine projects and amend the Regional Transportation Improvement Program (RTIP) to reflect the exchange.

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## **BACKGROUND**

Each year, after approval of the annual Federal Appropriations bill, Caltrans provides State highway account funds to the Santa Cruz County region to exchange with its 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 by the SCCRTC 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 2004/05 Caltrans exchanged approximately \$2.8 million of our region's annual apportionment of federal RSTP funds for state funds. In addition, the Commission has a \$357,000 unallocated fund balance from prior years and will receive a supplemental allocation of \$253,000 from Caltrans in early FY05/06. In total, approximately \$3.5 million is available for the RSTP exchange program this year. Caltrans provides an additional \$225,000 of the region's RSTP Exchange funds directly to the County of Santa Cruz each year.

Project sponsors have requested to exchange their RSTP funds for nine projects that will be delivered within the next year (Exhibit A). There are adequate funds available to accommodate all of these requests. As such, **staff recommends that the Regional Transportation Commission adopt a resolution (Attachment 1) exchanging federal RSTP for state highway account funds for these nine projects totaling approximately \$3.4 million and amend the *Regional Transportation Improvement Program (RTIP)* to reflect these allocations.** The balance of funds will be held in reserve for future exchange.

Consistent with the Commission's Rules and Regulations, after the Commission approves exchanges, project sponsors can invoice the Commission for the funds within six months of starting their project or upon completion of the project.

This list of projects is also recommended to be included in the FY04/05 and FY05/06 SCCRTC budgets (see separate agenda items on these budget amendments).

## **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 \$3.5 million is available for previously programmed RSTP projects. Staff recommends the Commission adopt a resolution exchanging federal RSTP funds for state funds for all of the projects that requested the funds. Project sponsors have indicated that these projects will be delivered within the next year.

Attachment 1: Resolution

Exhibit A: Projects Recommended to Receive 2004/05 RSTP Exchange Funds

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