

TO: Regional Transportation Commission

FROM: Rachel Moriconi, Senior Transportation Planner

RE: Public Hearing and Adoption of the *2006 Regional Transportation Improvement Program*

RECOMMENDATION

Staff recommends that the Regional Transportation Commission:

1. Review the draft *2006 Regional Transportation Improvement Program* (Attachment 1 - enclosed separately);
2. Hold a public hearing on the *2006 Regional Transportation Improvement Program* (RTIP), including funding proposals shown in Attachments 2 and 3;
3. Consider the recommendations made by the Commission's Bicycle Committee (Attachment 4) and Elderly and Disabled Transportation Advisory Committee (Attachment 5); and
4. Approve a resolution (Attachment 6) adopting the 2006 RTIP, with any changes determined at this meeting, to:
 - a. Program \$20 million of the region's share of projected new State Transportation Improvement Program (STIP) funds, as recommended by the Interagency Technical Advisory Committee and staff for regionally-significant projects (Attachment 2) and local jurisdictions' projects (Attachment 3);
 - b. Reflect the most current scope, funding, and timing information for other projects listed in the *Regional Transportation Improvement Program* (RTIP), as summarized in Attachment 7;
 - c. Reprogram STIP funds for the Santa Cruz Branch Rail Line to FY06/07, after weighing the benefits and risks of this programming;
 - d. Trade new STIP- Transportation Enhancement funds designated for the Hacienda Drive (SV 19) and Calabasas Road (CO 17) Bike Lane/Sidewalk projects for more flexible Regional Surface Transportation Program (RSTP) funds from the San Lorenzo River Bike/Pedestrian Bridge project, as requested by project sponsors and shown in Chapter 6 of the document;
 - e. Request that the California Transportation Commission (CTC) incorporate proposals for STIP-funded projects into the *2006 State Transportation Improvement Program* (STIP), as shown in the 2006 RTIP;

- f. Request that the CTC give priority for programming and allocations to Santa Cruz County projects carried over from the 2004 STIP, if (and/or when) STIP funds are insufficient to either program or allocate to all of the STIP projects identified in the 2006 RTIP; and
 - g. After approval by the CTC, request that Association of Monterey Bay Area Governments (AMBAG) incorporate amendments into the Federal Transportation Improvement Program (FTIP).
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BACKGROUND

Under state transportation statutes established by SB 45 in 1998, state and federal funding for various types of transportation projects is programmed every two years through the State Transportation Improvement Program (STIP). The State Transportation Improvement Program (STIP) is the process by which regions receive certain state and federal funds from the California Transportation Commission.

The STIP consists of two broad programs:

1. The regional program funded from 75% of new STIP funding, and
2. The interregional program funded from 25% of new STIP funding.

The 75% regional program is further subdivided by formula into county shares. County shares are available solely for projects determined by regions in their *Regional Transportation Improvement Program* (RTIP). These projects must be included in or be consistent with the *Regional Transportation Plan* (adopted by the Regional Transportation Commission in May 2005). Once projects are selected locally, the California Transportation Commission reviews the entire RTIP, accepts or rejects the program as a whole, or may require changes to match projected funds statewide.

For the remaining 25% of new STIP funding, Caltrans nominates state highway and rail projects for the interregional program through the Interregional Transportation Improvement Program (ITIP).

In addition to identifying projects to receive regional program STIP funds, the Santa Cruz County RTIP also serves as a summary of all the federal and state funds programmed or tracked by the Regional Transportation Commission, provides an overview of transportation funding issues in Santa Cruz County, and discusses how the RTIP relates to other planning documents.

The last RTIP was adopted by the RTC in April 2004, though several project amendments have been made to the document since that time. The 2004 STIP and RTIP covered the five-year period from FY 2004/05 through FY 2008/09. The 2006 STIP and RTIP cover an additional two years, through FY 2010/11. The deadline to submit the adopted RTIP to the California Transportation Commission is January 30, 2006. The CTC is scheduled to adopt the 2006 STIP in April 2006.

DISCUSSION

Available Funding

In preparation for the STIP adoption every other year, the California Transportation Commission (CTC) adopts the STIP Fund Estimate, which provides an estimate of all the state and federal funds reasonably expected to be available for the state's transportation infrastructure over the five-year STIP period. After funds are taken off the top for Caltrans maintenance, administration, and operations; the State Highway Operation and Protection Program (SHOPP); and Local Assistance; the balance is available for the STIP.

Based on the best-case scenario outlined in the *2006 State Transportation Improvement Program (STIP) Fund Estimate* (repayment of nearly \$5 billion in loans previously diverted to the State General Fund and release of Proposition 42 funds to transportation every year), **the California Transportation Commission (CTC) has estimated that over the next five years \$20 million in new regional STIP funds may be available for projects in Santa Cruz County.** Although the CTC admits that this is a very optimistic scenario, the CTC is using these funding projections as the basis for adopting the 2006 STIP. It is highly unlikely that the new projected STIP funds will be realized in the time frame of the 2006 STIP unless the Legislature and the Governor make changes to guarantee state transportation revenues over the long term.

Of the \$20 million in new funds available for programming in our 2006 RTIP, \$596,000 is from STIP funds the RTC traded for Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for the Commute Solutions Rideshare Program in March 2005. Also, approximately \$8 million is from funds that had previously lapsed that are now being returned to the region. Additionally, \$648,000 of these new funds are from the federal Transportation Enhancement (TE) program, which are limited to projects such as bike and pedestrian facilities.

According to the 2006 STIP Fund Estimate, a significant amount of the new programming capacity statewide will only be available for transit/rail and Transportation Enhancement (TE) projects in the first three years of the 2006 STIP. Additionally, the Fund Estimate shows how much funding the CTC can program to projects each year. As such, after receipt of RTIP proposals from regions throughout the state, the CTC may require regions to revisit their proposals and shift the proposed funding year for some of their projects in order to ensure that programming statewide is consistent with the funding projections in the Fund Estimate.

2006 RTIP Process

At your September 1, 2005 meeting, the RTC approved an Interagency Technical Advisory Committee (ITAC) and staff recommendation to forego a competitive process for programming the \$20 million of new STIP funding capacity. Instead of holding a competitive process, the RTC decided to:

- Program 80% (\$16 million) of the projected new State Transportation Improvement Program (STIP) and Transportation Enhancement (TE) funds to regionally significant projects;

- Consider programming a portion of this regionally-significant-project funding to the Highway 1 Soquel-Morrissey Auxiliary Lanes Project; and
- Program the remaining 20% (\$4 million) in new programming capacity to projects selected by local jurisdictions, distributed on a population basis, with consideration to be applied to smaller local jurisdictions to ensure sufficient funds to allow a minimum project to be developed.

ITAC and Staff Recommendations for Programming \$20 Million

There is no shortage of local and regionally significant projects that could use the new STIP funds. As a basis for formulating recommendations for the new funds, RTC and local jurisdiction staffs considered the California Transportation Commission's (CTC) funding guidelines and allocation priorities, funding needs for previously programmed projects, and the *2005 Regional Transportation Plan (RTP)*. For the regionally significant projects, staff also considered priorities identified by Commissioners, local jurisdictions, Caltrans, the Transit District, and the Interagency Technical Advisory Committee.

Staff and the ITAC recommend programming 80% of the new STIP funds (\$16 million) to the following regionally significant projects (shown in Attachment 2). The RTC saw this list at its December 1, 2005 meeting and did not add any other projects to be noticed to the public for this meeting.

- The Highway 1 Soquel/Morrissey Auxiliary Lanes project
- Highway 1-Harkins Slough Road Interchange project
- Highway 1/HOV Lanes project
- Highway 1/9 Intersection project
- Highway 1 Bridge Widening over San Lorenzo River
- The Santa Cruz Coastal Trail (Encompasses a network of trails, some of which may fall on the Rail/Trail and the Monterey Bay Sanctuary Scenic Trail)
- The Monterey Bay Sanctuary Scenic Trail – Matching funds to Federal Earmark
- Transit Trip Planner (automated web and phone based bus info)
- Highway 1 Freeway Service Patrol
- Regional Rideshare program (Commute Solutions)
- RTC's Project Funding and Delivery Program (Programming, Planning & Monitoring – PPM)

Consistent with RTC direction at its September meeting, for the latter 20% to local jurisdictions (\$4 million), local jurisdictions have identified projects for each of their shares of funds (shown in Attachment 3). Since local jurisdictions were given discretion to identify projects for their shares of funds, staff and the ITAC recommend that the RTC incorporate their chosen projects into the 2006 RTIP.

Project descriptions, funding information and other details about these projects can be found in Chapter 6 of the enclosed RTIP document.

Trading New Funds

Two of the local jurisdiction's projects proposed for new funds have already completed significant levels of preconstruction work following the rules required for state-funded projects. Adding federal funds to these projects would require sponsors to back track, recertify environmental documents and follow more cumbersome rules for implementing their projects.

As such the County public works staff has requested to trade the new STIP TE funds for the Calabasas Road bike/ped project (\$375,000) for RSTP funds and the City of Scotts Valley has asked to trade the new funds for Hacienda bike/ped project (\$100,000) for RSTP funds. Local jurisdictions prefer RSTP over STIP funds for smaller projects because they can exchange RSTP funds for state cash, thereby avoiding the timely federal process.

Staff reviewed the list of projects currently programmed to receive RSTP funds that are already undergoing the federal process and asked the City of Santa Cruz if they would be willing to trade some of their RSTP funds programmed to the San Lorenzo River Bicycle/Pedestrian Bridge project for federal STIP TE funds. The City's public works staff graciously agreed to assist these other jurisdictions and make this trade. **As such, staff recommends the Commission trade new STIP- Transportation Enhancement funds designated for the Hacienda Drive (SV 19) and Calabasas Road (CO 17) Bike Lane/Sidewalk projects for more flexible Regional Surface Transportation Program (RSTP) funds from the San Lorenzo River Bike/Pedestrian Bridge project (SC 03), as requested by project sponsors and shown in Chapter 6 of the 2006 RTIP document.**

Highway 1 Soquel/Morrissey Auxiliary Lanes Project

For the Highway 1 Soquel/Morrissey Auxiliary Lanes project, Caltrans District 5 submitted a proposal to Caltrans Headquarters to fund \$1.9 million of the project with Interregional Transportation Improvement Program (ITIP) funds. However, Caltrans has indicated that it is highly unlikely that ITIP funds will be programmed to this project because Caltrans Headquarters is focusing new ITIP funds to existing ITIP projects that have cost increases, rather than adding new projects into the ITIP (Attachment 8). **Therefore, the staff proposal for the regional share of STIP funds includes all the funds necessary to complete funding for the Highway 1 Soquel/Morrissey Auxiliary Lanes project (\$8,475,000).**

2008 State Transportation Improvement Program (STIP)

Other projects may be considered for programming in the 2008 STIP as additional information about those projects becomes available. Design work for the Highway 1 Widening/HOV Lane project, Phase 2 of the MetroBase project and the Santa Cruz Metro Center/Pacific Station Reconstruction would fall into this category.

Bicycle Committee and Elderly/Disabled Transportation Advisory Committee Recommendations

At their December meetings the Bicycle Committee and the Elderly and Disabled Transportation Advisory Committee (E&D TAC) reviewed the proposed project lists. Their recommendations

are shown in Attachments 4 and 5, respectively. For many of the proposed projects, the committees did not take positions of either support or opposition. Though staff is sympathetic to most of the suggestions made by the Committees, funding is limited and staff believes that the ITAC and staff recommendations provide a good balance between bicycle, pedestrian, local road and highway projects, and therefore **staff does not recommend approval of the Bike Committee and E&D TAC recommendations as part of the 2006 RTIP. (The ITAC did not meet after the other two Committees developed their specific recommendations.)** Instead, the RTC could direct staff to revisit these recommendations for future grant programs, as other new funds become available.

If the RTC decides to incorporate any of the Committee recommendations into the 2006 RTIP at this meeting, staff would suggest reducing or eliminating funds from regionally-significant projects that are not yet fully funded and cannot be built in segments (such as the Highway 1 Bridge Widening over San Lorenzo River project).

Changes to Previously Programmed Projects

In addition to programming additional funds to projects as described above, the Draft 2006 RTIP also updates information, such as cost and schedule, for several projects and proposes funding amendments for some of the other projects that are listed in the RTIP. The recommended amendments include: shifting the program year for STIP funds to more accurately reflect project schedules and CTC funding projections, modifying project descriptions, and shifting funds amongst projects, as requested by project sponsors. All of the proposed amendments are summarized in Attachment 7 and shown within the individual project listings in Chapter 6.

Changes to Existing STIP Projects

Proposed funding shifts for existing STIP projects are also summarized in Figure 4 of the 2006 RTIP document and require concurrence from the CTC. Most notably, **for the MetroBase and Santa Cruz Branch Rail Line Acquisition projects, the Draft 2006 RTIP shifts previously programmed STIP funds from FY08/09 to FY06/07.** Based on preliminary discussions with Caltrans and CTC staff, RTC staff believes that the CTC may honor the request to shift STIP funds earlier for these two projects because there is programming capacity within the first year of the STIP for projects that are eligible to use Public Transportation Account (PTA) funds. By contrast, funds for highway and local road projects are very constrained in the first few years of the STIP.

Shifting funds to FY06/07 for the Rail Line Acquisition has a benefit, but also risks. The benefit is that the need for the Coastal Conservancy reimbursable grant and its restrictive covenants would be eliminated. The risks would come into play if the RTC is not ready to request an allocation for the funds by June 2007. In that case, the CTC would have to grant the RTC an extension (frowned upon by the CTC) or the funds would lapse and not be available to the region for reprogramming until the 2008 STIP, or possibly even 2010 STIP. If the RTC were to receive an allocation during FY06/07 but then not finalize the purchase by June 30th of the end of the second fiscal year after the allocation date (June 2008), the funds would be lost to the

region forever. If the RTC wanted to request the funds be shifted to FY07/08 after adoption of the 2006 RTIP, that request would need to be submitted by February 21, 2006. The current schedule for the project shows the purchase being finalized within 2006; however, as is well known, several milestones and decisions must first be reached. (The updated Rail Line Acquisition timeline will be presented to the RTC at your January Policy Workshop.)

For the MetroBase project, shifting funds to FY06/07 would be a tremendous benefit to Santa Cruz Metro, and would entail no risk because the Metro has already chosen its construction contractor.

Completed Projects

Finally, project sponsors have been busy over the last two years completing dozens of important transportation projects throughout the region. Projects previously listed in the 2004 RTIP that have since been completed are listed in Appendix D of the document.

Prioritizing Projects for Allocation and Programming

It is possible that the CTC will determine that STIP projects cannot be programmed as proposed by the RTC in the 2006 RTIP and the CTC will shift funds for some projects to later years in order to balance proposals received statewide. Additionally, as each fiscal year comes, it is unlikely that the CTC will be able to allocate funds to all of the projects programmed because of the high level of uncertainty surrounding the STIP funding projections. As such, **staff recommends that the RTC request that the CTC give priority for programming and allocations to Santa Cruz County projects carried over from the 2004 STIP, if (and/or when) STIP funds are insufficient to either program or allocate to all of the projects as identified in the 2006 RTIP.**

Public Input

In addition to considering recommendations identified by the Commission's advisory committees, **the Commission has scheduled this evening's public hearing to give members of the community an opportunity to comment on the Draft 2006 RTIP.** The public hearing has been noticed in major local newspapers and news releases regarding the public hearing were distributed in advance of the meeting. As of the writing of this staff report, one letter has been received and is included in Attachment 9. Staff will distribute any additional correspondence we receive to the RTC at the meeting. Upon completion of the public hearing, **staff recommends that the Commission approve the staff recommendations listed throughout this staff report, including a resolution adopting the 2006 RTIP, with any changes you deem appropriate.**

SUMMARY

The Santa Cruz County Regional Transportation Commission is required to submit the *2006 Regional Transportation Improvement Program*, programming \$20 million in 2006 State Transportation Improvement Program (STIP) funds, to the California Transportation Commission by January 30, 2006. The Draft RTIP also includes recommended changes to other

projects previously programmed. Staff recommends the Commission review the Committee and staff recommendations, hold a public hearing, and approve a resolution (Attachment 6) adopting the 2006 RTIP (Attachment 1 – enclosed separately).

Attachments:

1. *Draft 2006 Regional Transportation Improvement Program (RTIP)* - Enclosed separately
2. Recommended Regionally Significant Projects
3. Recommended Local Jurisdiction Projects
4. Bicycle Committee Recommendations
5. Elderly/Disabled Transportation Advisory Committee Recommendations
6. Resolution
7. Proposed Project Amendments
8. Letter from Caltrans Regarding ITIP Funding
9. Written Comments Received

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