

DEPARTMENT OF TRANSPORTATION

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Attachment 8



*Flex your power!
Be energy efficient!*

November 23, 2005



Pat Dellin
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3912

Dear Ms. Dellin:

2006 STIP ITIP STRAW PROPOSAL

As part of the continuing development of the 2006 STIP, the following information pertains to the ITIP Straw Proposal for the Route 1, Soquel – Morrissey Auxiliary Lanes project in Santa Cruz County. The Straw Proposal is the first draft of the 2006 ITIP and it is reasonably consistent with the 2006 STIP Fund Estimate programming targets.

We have just concluded an initial internal Caltrans meeting regarding District 5's ITIP, and the news is not good as we look forward to what appears to be a STIP reprogramming exercise much like the 2004 STIP, especially for the ITIP. Based on statewide ITIP programming targets, all ITIP projects will likely be delayed, in most cases by a year or two. Fortunately, there will be capacity to fund costs increases for already programmed projects, and the California Transportation Commission (CTC) has stated this would be their highest priority. However, the currently identified cost increases already significantly exceed the ITIP programming target.

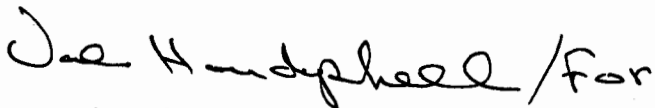
The most pertinent issue to Santa Cruz County is that it is unlikely the ITIP will propose any new highway projects. In fact, the magnitude of cost increases to the existing program may well demand the de-programming of some projects and/or project components. If de-programming is necessary, Caltrans will recommend priorities, and the CTC will eventually make the final decisions. I have enclosed a summary of these ITIP issues titled, "2006 ITIP Program Outlook" which further outlines the troubling outlook for the 2006 ITIP.

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We will continue to communicate and collaborate with you on the development of the 2006 STIP. And as always, we appreciate your cooperation as we continue to move through the 2006 STIP development process, especially as we address such difficult funding decisions.

Sincerely,

 / For

TIM GUBBINS
Deputy District Director
Program/Project Management

Attachment
2006 ITIP Program Outlook

Cc: Gregg Albright
Rich Krumholz
Val Houdyshell

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