

DATE: December 7, 2006

TO: Regional Transportation Commission  
FROM: George Dondero, Executive Director  
RE: Project Nomination for Proposition 1B - Corridor Mobility Improvement Account (CMIA) Funds

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## RECOMMENDATIONS

Staff and the Interagency Technical Advisory Committee (ITAC) recommend that the Regional Transportation Commission (RTC):

1. Submit a nomination for the Highway 1 HOV Lane project to the California Transportation Commission (CTC) for Corridor Mobility Improvement Account (CMIA) funds.

Staff further recommends that the Regional Transportation Commission:

2. Approve the attached resolution (Attachment 2) to be submitted with the nomination for the Highway 1 HOV Lane Project.
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## BACKGROUND

On November 7, 2006, State voters approved two key transportation funding measures – Proposition 1A and Proposition 1B. Proposition 1A ensures that revenues from the state sales tax on gasoline will be dedicated to transportation by restricting the state’s ability to divert the funds to the State General Fund. Proposition 1B authorizes \$19.9 billion in bonds for a variety of transportation programs.

At its November 16, 2006 meeting, the RTC discussed possible candidates for the \$4.5 billion Corridor Mobility Improvement Account (CMIA) element of Proposition 1B. At that meeting, the RTC directed staff to return with a CMIA project nomination for the Highway 1 HOV Lanes project and a discussion of other available funding sources for other projects of importance to the community.

## DISCUSSION

### **Corridor Mobility Improvement Account Nominations**

The California Transportation Commission is responsible for establishing guidelines and selecting projects to receive \$4.5 billion from the Proposition 1B Corridor Mobility Improvement Account (CMIA). Proposals are due to the California Transportation

Commission (CTC) by January 15, 2007. The CTC has identified the following as characteristics of strong candidates for these highly competitive funds:

- Eligible Projects:
  - Improve mobility in a high congestion corridor by improving travel times or reducing the number of daily vehicle hours of delay
  - Improve the connectivity of the state highway system between rural, suburban, and urban areas, or
  - Improve the operation or safety of a highway or road segment.
- Project Readiness:
  - Projects must be able to commence construction or implementation no later than December 31, 2012
- Matching Funds:
  - Projects must be fully funded
  - CTC may favor projects with significant local funding component
  - CTC may make funding contingent on securing local funds in the future
- Other considerations
  - Projects should be the region's highest priority
  - Aimed at funding projects that could not otherwise be funded through the biennial STIP process
  - Projects of interregional significance may be given priority

In light of the focus of the Corridor Mobility Improvement Account (CMIA), staff believes that the Highway 1 HOV Lane project is the strongest candidate project in Santa Cruz County for these funds. Highway 1 is extremely congested and the addition of an HOV lane would help improve mobility and reduce travel times along this corridor. The CMIA provides the opportunity to fund a project that the RTC would not otherwise be able to fund with existing funding sources. A summary of the project proposal is attached (Attachment 1). Total funds available for the project, as well as the environmental review process will determine which alternative will be implemented. **Staff and the Interagency Technical Advisory Committee recommend that the RTC request CMIA funds from the California Transportation Commission (CTC) for this project.**

#### Addressing specific CMIA Guidelines

As noted above, the CMIA guidelines require projects to be fully funded. Since it is unlikely that the CTC will be able to provide full funding for the Highway 1 HOV Lane project through the CMIA program, it is important for the RTC to indicate its commitment to securing the additional funds that would be needed for the project. The RTC is continually pursuing additional funds for this project and other transportation needs in the region through various strategies including the recent formation of the Transportation Funding Task Force. As such, the resolution includes a commitment from the RTC to provide additional matching funds as they become available and to seek the generation of new funding sources to increase the local match for the project.

The CMIA guidelines also state that the CTC will give priority to projects where there is a corridor system management plan or where there is a documented regional and local commitment to the development and effective implementation of a corridor system management plan. The attached resolution includes a commitment from the RTC to develop such a plan. As a base for developing the corridor system management plan, Caltrans and staff will use documents developed in the past that have analyzed ways to address management of the Highway 1 corridor, including the Watsonville-Santa Cruz-UCSC Major Transportation Investment Study (MTIS), Highway 1 project study reports, Bus Rapid Transit studies, and the ITS-strategic development plan.

**Staff recommends that the RTC approve the attached resolution, to be submitted to the CTC and Caltrans as part of our request for CMIA funding for the Highway 1 HOV Lane project (Attachment 2).**

#### Other Possible CMIA Projects

At both the ITAC and RTC November 16, 2006 meetings, representatives from the City of Santa Cruz suggested that the RTC also submit funding requests for improvements to the Highway 1/9 intersection, including widening the Highway 1 bridge over San Lorenzo River. **The Interagency Technical Advisory Committee recommends the RTC submit a secondary nomination for improvements to this section of Highway 1.**

Though the intersection of Highway 1 and Highway 9 is congested and is a lower cost improvement to the heavily congested Highway 1 corridor, **staff does not recommend requesting CMIA funds for this second project.** First, this project could potentially be funded with existing regional and local funding sources. Second, fewer vehicles are affected by congestion at this location and, as such, the number of hours of delay reduced by this project is much lower than that of the Highway 1 HOV Lane project. Third, the congestion in this section of roadway is considered to have less interregional significance. Finally, staff is concerned that if a second, lower cost project is also submitted, the CTC and Caltrans will eliminate the larger Highway 1 HOV Lane project from consideration.

#### **Funding Opportunities for Other High Priorities**

Though the Highway 1 HOV Lanes Project is the best candidate for Corridor Mobility Improvement Account (CMIA) funding, a variety of funding opportunities exist to partially address some of the needs of other important projects in Santa Cruz County (Attachment 3). These include federal, state, regional and local funds used for all types of transportation projects including highway, local road improvements and maintenance, transit, specialized transportation, bicycle, pedestrian, safety, education and marketing.

#### Other Proposition 1B Programs

As reported at earlier RTC meetings, in addition to the \$4.5 billion CMIA, the \$19.9 billion transportation infrastructure bond includes several other funding programs. Of the \$7.6 billion to be distributed by formula, Santa Cruz County will receive the following approximate amounts:

- Local Streets and Roads: \$12.2 million – allocated to cities and counties by formula
- Public Transportation Modernization and Improvement: \$27.7 million – the Santa Cruz Metropolitan Transit District (SCMTD) will receive these funds and plans to use them to complete funding for the operations yard and building of the Metrobase project.
- State Transportation Improvement Program (STIP) Augmentation: \$11 million – the RTC will program these funds according to CTC guidelines.

Other elements of the bond measure for which Santa Cruz County projects may be eligible include:

- \$1B State/Local Partnerships: Require 1/1 match of local/state funds. The Highway 1/9 Intersection project may be a good candidate for this program. Guidelines still need to be developed.
- \$1B Transit System Safety/Security/Disaster Response: Most likely funds will be directed to major metropolitan transit systems, however guidelines still need to be developed. Potentially bus systems/stations could be included
- \$125M Local Bridge Seismic Retrofit: Murray Street Bridge replacement and possible others may be eligible for some of these funds
- \$750M SHOPP: Funds will augment existing Caltrans SHOPP program. In the past, Caltrans District 5 identified an Auxiliary Lane between Bay/Porter and Park as a possible candidate for the SHOPP program.
- \$250M Highway-RR Crossing Safety Account: Caltrans will select projects, require 1/1 match with non-state funds. At grade railroad crossings in County could qualify.
- \$200M School Bus Retrofit: School buses in Santa Cruz County could qualify.

The RTC could support applications from local project sponsors for these other Proposition 1B funding programs. Information on the status of the various Proposition 1B programs is attached ([Attachment 4](#))

### RTC Discretionary Funds

In January the RTC will consider projects to receive funds from three funding sources under the discretion of the RTC. These include Proposition 1B STIP Augmentation funds, Congestion Mitigation and Air Quality Improvement Program (CMAQ) Phase-Out funds, and Regional Surface Transportation Program (RSTP) funds. In total, staff estimates that approximately \$20 million is available for programming.

Given that the amount of funding available is relatively small in comparison to the needs of the region (approximately \$4 billion in transportation needs have been identified in the Regional Transportation Plan), staff proposed to the ITAC that these funds be programmed as part of a competitive process. A competitive process would allow the RTC to consider the needs in the region collectively and ensure that the most effective projects are funded first. At its November 16, 2006 meeting, the ITAC recommended the STIP funds (\$8.5-12.5 million) be distributed to regionally significant projects, the RSTP funds (\$7 million) be distributed by population to the cities and County for local roadway rehabilitation, and for TMAs to receive two-years worth of

CMAQ funds (\$240,000) and for the balance of CMAQ funds (\$320,000) to be distributed by formula to local jurisdictions.

Based on our initial analysis of the funding needs of regionally-significant projects, review of underfunded projects throughout the region, and the CTC's STIP funding guidelines, **staff cannot endorse the ITAC recommendation at this time.** Staff will return to the RTC after the CTC's December 14, 2006 meeting with a more thorough discussion of options for programming these funds.

#### New Funding

As discussed in a separate agenda item, the Transportation Funding Task Force (TFTF) is developing a plan for addressing the region's transportation funding needs. The work of the Task Force may result in new transportation funding revenues for the region.

#### **SUMMARY**

Proposition 1B includes \$4.5 billion for the Corridor Mobility Improvement Account (CMIA) program. Funds for this program will be distributed by the California Transportation Commission (CTC) on a competitive basis. Applications for the CMIA program are due to the CTC on January 15, 2007. Staff and the ITAC recommend the RTC nominate the Highway 1 HOV Lane project for CMIA funding.

#### Attachments

1. CMIA Project Proposal
2. Resolution
3. Summary of Funding Opportunities
4. Proposition 1B Status