

BOARD MEMORANDUM

Date: December 18, 2007

Committee Meeting Date: January 9, 2008

Board Meeting Date:

N/A

INFORMATION

TO: Citizens Watchdog Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: John H. Ristow
Chief CMA Officer

SUBJECT: 2008 State Transportation Improvement Program (STIP) and Related Actions

FOR INFORMATION ONLY

INTRODUCTION:

VTA, as the Congestion Management Agency (CMA) for Santa Clara County, has the responsibility for prioritizing and programming discretionary Federal, State, regional and certain local funds for transportation projects in Santa Clara County. These include Santa Clara County's Regional Improvement Program (RIP) share of the State Transportation Improvement Program (STIP).

The STIP is updated every two years. In August of odd numbered years, the California Transportation Commission (CTC) releases the new 5-year STIP Fund Estimate for the upcoming STIP that adjusts the prior estimates and adds two new years of fund programming capacity. STIP cycles are a series of 5-year projections in which three years of each STIP period overlap with the prior STIP period. The 2006 STIP was approved by the VTA Board of Directors on December 1, 2005 and by the CTC. This memorandum covers the 2008 STIP. The next cycle will be the 2010 STIP, beginning in August 2009.

VTA's 2008 STIP Program is due to the Metropolitan Transportation Commission (MTC) on December 18, 2007.

DISCUSSION:

VTA staff recommended that the VTA Board of Directors approve the following programming actions:

- De-program \$25.37 million from currently programmed STIP projects
- Program \$2.133 million in STIP funds to Planning, Programming & Monitoring (PPM) activities for VTA and MTC
- Program \$50.44 million in STIP funds to a Measure A Transit project (Airport People Mover Project)
- Authorize allocation of \$50.44 million of 2000 Measure A funds to the projects shown in Attachment A and described in this memorandum

De-programming Existing STIP Projects

VTA staff recommended de-programming six current STIP projects as shown in Attachment A. These projects were all originally programmed into the STIP between 1994 and 2002. Alternative funding has been found for several, the need for two others has changed, and there has been marginal progress towards delivering the remainder. VTA staff recommended de-programming these projects at this time, and re-evaluating them for funding at a later date.

Planning, Programming and Monitoring

The STIP provides that up to 5% of the county share total be made available for transportation planning and project development, fund programming, project schedule adherence monitoring activities for MTC and each CMA. MTC and the CMAs have agreed to collectively provide \$550,000 to MTC for PPM activities with each county being responsible for a pro-rata share. VTA's share for this STIP period is \$133,000. The VTA Congestion Management Program (CMP) requires \$2 million as well. These funds are spent developing roadway projects (highway, local road, bike and pedestrian) for future implementation, as well as ongoing planning, programming, and project monitoring support for VTA and its member agencies, and local project support.

Measure A Transit Project and STIP Fund Exchange

The recommended action requires an exchange of STIP funds and 2000 Measure A Sales Tax funds whereby the Board would program STIP funds to a Measure A funded project, then take an equal amount of Measure A funds and place them into the Local Program Reserve (LPR). Staff recommended that the VTA Board pursue the Fund Exchange strategy with the 2000 Measure A Project – Airport People Mover (APM) Project for several reasons:

- (1) *Accelerates Project Delivery and Reduces Administrative Costs:* STIP funds come with substantial state requirements that impact schedule and cost of project delivery due to time consuming, labor intensive, expensive effort to administer grant funds. Every STIP funded project requires virtually the same amount of grant administration effort, regardless of size. By programming all the STIP funds to one Measure A project and funding the others through the LPR, the Board of Directors will have freed the projects from the administrative burdens. This action can reduce project costs and accelerate project delivery. VTA Programming and

Grants staff will move the Measure A project through the administrative process as has been previously done with the Vasona and Tasman Light Rail Projects. While the 2008 STIP covers the period FY '09 through FY'13, there is no new programming capacity available during FY'09, FY '10 and FY'11. The Corridor Mobility Improvement Account (CMIA) projects are required to begin construction by December 31, 2012. VTA's own project delivery schedule will have these projects ready to go up to one year earlier. The projects will therefore need the additional funding in FY 2011. This funding exchange is the only means by which VTA is guaranteed to have the construction money available to construct these projects when they are needed.

- (2) *Enables the VTA Board to manage Valley Transportation Plan (VTP) expenditures:* MTC and the CTC must approve all STIP programming decisions after they are approved by the VTA Board, and the CTC approves all subsequent STIP fund allocations for all STIP funded projects. By exchanging STIP funds, the VTA Board eliminates the need for subsequent MTC and CTC approval of VTP 2030 programs and projects.

Staff recommended that the Board of Directors program the funds obtained from the funding exchange based on the following priorities.

Recommended Local Program Reserve Priorities

1. Provide Additional Matching Funds for Corridor Mobility Improvement Account (CMIA) Projects

On November 6, 2006 California voters approved Proposition 1B, a bond measure which will provide \$19.9 billion for transportation improvements in California through 12 programs. One of these programs is the Corridor Mobility Improvement Account (CMIA), which makes \$4.5 billion available to roadway projects on a competitive basis to expand roadways, enhance operations, and improve travel times in high-congestion travel corridors.

On February 28, 2007, the CTC selected three projects in Santa Clara County and provided approximately \$187 million in CMIA grant funds. The projects selected by CTC and the CMIA level of funding include: the US 101 Improvements - I-280/680 to Tully Road (\$30.0 million); US 101 Improvements - Embarcadero Road to Route 85 (\$84.9 million); and, I-880 Widening - Route 237 to US Route 101 (\$71.6 million). The CTC only provided funding for part of the construction phase of the project. VTA is required to provide funding for the project development phases including, Preliminary Engineering (PE), Environmental, Final Design and Right of Way, and any additional construction costs.

The CMIA program has mandatory delivery deadlines required by Proposition 1B requiring the projects to be in construction by December 31, 2012. VTA, as a project sponsor, is required to meet those project deadlines or risk losing the CMIA funding.

The VTA Board of Directors provided the initial funding to begin design of the three CMIA projects. Staff recommended that the VTA Board now program the balance of the local contributions needed to fund the projects through completion.

2. Replenish the Local Program Reserve

In order to safeguard the Measure A program, VTA staff recommended that the Board set aside \$9.41 million in Local Program reserve funds. The LPR funds have been used in the past to provide non-federal funding for small projects, to provide funding for highway project studies, to provide emergency funding for specific projects and can also be used to compensate the Measure A program for any interest losses due to the fund exchange, if they occur.

Prepared by: Marcella Rensi, Manager, Programming and Grants

ATTACHMENT A
PROPOSED 2008 STIP AND LPR PROGRAM

STIP Programming- Current STIP Projects

Project Name	Existing STIP or LPR Programming (\$ millions)	New Programming (\$ millions)	Total Project (\$ millions)	Explanation/Justification
SR-87: US-101 to Julian St.- Landscaping	\$4.24	\$(4.24)	\$-	Have obtained alternative funding
SR-152 Passing Lanes & Left Turn Lanes	\$11.37	\$(11.37)	\$-	Project superceded by new alignment
SR-237/I-880 Interchange Landscaping	\$1.34	\$(1.34)	\$-	Funded by Milpitas in exchange for Tasman East landscaping
I-280 Soundwalls: Bird Ave to Los Gatos Crk	\$3.94	\$(3.94)	\$-	Transferred to Local Program Reserve
I-680 Soundwalls: Capitol Xwy to Mueller Ave	\$3.86	\$(3.86)	\$-	Transferred to Local Program Reserve
I-880 Soundwalls: Stevens Crk Blvd to SR-280	\$2.62	\$(2.62)	\$-	Incorporated into I-880/Stevens Creek Interchange Project
I-680 SB HOV Lane	\$8.31	\$ -	\$8.31	No Change - Regional Commitment
MTC - PPM	\$0.53	\$0.13	\$0.67	Regional Agreement
VTA - PPM	\$0.97	\$2.00	\$2.97	Removed from LPR
2000 Measure A Transit Project (APM)	\$ -	\$50.44	\$50.44	Fund Exchange Project
<i>Subtotal – 2008 STIP Programming</i>	<i>\$37.17</i>	<i>\$25.20</i>	<i>\$62.38</i>	

STIP/Measure A – Based LPR Programming

Project Name	Existing STIP or LPR Programming (\$ millions)	New Programming (\$ millions)	Total Project (\$ millions)	Explanation/Justification
I-880 HOV Widening: SR-237 to US-101	\$8.54	\$14.86	\$23.40	CMIA project - balance needed
US 101 Improvements (280/680 to Tully)	\$7.00	\$5.00	\$12.00	CMIA project - balance needed
US 101 Improvements (85 to Embarcadero)	\$3.50	\$13.57	\$17.07	CMIA project - balance needed
I-880/I-680/Stevens Creek Interchange	\$0.50	\$ -	\$0.50	No Change
US 101/SR-25 Interchange	\$4.50	\$-	\$4.50	No Change
I-680 Sunol Grade HOV/HOT Lane	\$8.00	\$ -	\$ 8.00	No Change - regional commitment
SR-87 HOV North & South - Cost Increase	\$2.50	\$-	\$2.50	No Change
SR-152/SR-156 Interchange - Cost Increase	\$1.00	\$-	\$1.00	No Change
Planning, Programming & Monitoring	\$2.00	\$(2.00)	\$-	Delete - move to STIP
Local Streets & County Roads Capital Program	\$20.00	\$-	\$20.00	No Change
I-280 Soundwalls: Bird Ave to Los Gatos Crk	\$-	\$3.94	\$3.94	To be managed by VTA
I-680 Soundwalls: Capitol Xwy to Mueller Ave	\$-	\$3.86	\$3.86	To be managed by VTA
Tasman East LRT Landscaping	\$-	\$1.80	\$1.80	Exchange with Milpitas for SR-237/I-880 Landscaping
Unprogrammed LPR - TBD	\$ -	\$9.41	\$9.41	Replenish Fund & potential interest impacts to Measure Program
<i>Subtotal – STIP/Measure A – Based LPR</i>			\$107.9	
<i>Programming</i>	\$57.54	\$50.44	8	