



Date: May 14, 2007
 Committee Meeting Date: May 23, 2007
 Board Meeting Date: June 7, 2007
 ACTION X DISCUSSION INFO

BOARD MEMORANDUM

TO: Congestion Management Planning and Programming Committee
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns
 General Manager

FROM: Carolyn M. Gonot
 Chief Development Officer

SUBJECT: Local Program Reserve Programming

RECOMMENDATION:

Approve the programming of Local Program Reserve (LPR) funds to projects shown in Table 1.

BACKGROUND:

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 roadway, enhance operations, and improve travel times in high-congestion travel corridors. On December 14, 2006, the VTA Board of Directors approved the submittal of six applications to the CMIA program. Of the six projects proposed by VTA, five were ultimately forwarded by the Metropolitan Transportation Commission (MTC) and Caltrans to the California Transportation Commission (CTC) for consideration of funding.

On February 28, 2007, the CTC selected three of the five projects submitted 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).

In most cases, the funding provided by CTC is only for the construction phase of the project and project sponsors are required to provide funding for the project development phases including, Preliminary Engineering (PE), Environmental, Final Design and Right of Way.

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 two remaining projects not selected by CTC, are also considered high priority projects for Santa Clara County and are also ready to continue forward into project development phases. The projects are I-280/880/Stevens Creek Interchange and US 101/State Route 25 Interchange.

The purpose of this memorandum is to provide funding from the Local Program Reserve to begin preliminary engineering, environmental and design phases of all five of the projects originally submitted for CMIA funding.

The Local Program Reserve is created through the exchange of STIP funds with a sales tax measure funded project, in this case, the VTA 2000 Measure A Program. The exchange of the funds occur whereby STIP funds are programmed to project funded by the local sales tax program and the sales tax program then provides an equivalent amount of sales tax funds for re-programming to other projects. The benefits of the exchange include accelerated project delivery and reduced administrative costs. STIP funds come with substantial state requirements that impact schedule and cost of project delivery. The restrictions limit flexibility of a project to accelerate environmental, design and right of way phases and also cause additional costs due to time consuming, labor intensive, expensive effort to administer grant funds.

DISCUSSION:

At the February 1, 2007 meeting, the VTA took action to provide the initial matching funds to the CMIA projects and several other local priorities via a funding exchange with the 2000 Measure A program. The Board programmed \$57.54 million in 2006 STIP Augmentation funds to the Capitol Expressway Light Rail extension (CELR), in exchange for the same amount of 2000 Measure A funds. The Board then programmed the Local Program Reserve (LPR) exchange funds to projects as shown in the "Current" column in Table 1.

The programming action occurred prior to the final CTC selection of projects for the CMIA Program due to the STIP programming schedule required by MTC and CTC. In order to react to the final selection of CMIA projects by CTC, VTA will need to revise the programming to provide funding for the project development phases of the CMIA projects selected by CTC. In addition, VTA staff recommends programming funding to continue the development of the two non-CMIA funded projects.

The proposed funding of the projects is listed in Table 1.

TABLE 1: LOCAL PROGRAM RESERVE – 2000 MEASURE A EXCHANGE (\$ millions)

Project	Current	Proposed	Comments
Highway Projects			
I-880 HOV Widening (237 to 101)	\$ 6.10	\$ 8.54	PE/Environmental
US 101Improvements (280/680 to Tully)	\$ -	\$ 7.00	PE/FD (Environmental complete)
US 101Improvements (85 to Embarcadero)	\$ -	\$ 3.50	PE/Environmental
I-880/I-280/Stevens Creek Interchange	\$ 7.50	\$.50	PE/Environmental (federal fund match)
US 101/25 Interchange	\$ -	\$ 4.50	PE/Environmental
Existing STIP Projects			
I-680 Sunol HOV/HOT Lane	\$ 8.00	\$ 8.00	
Cost Increase SR-87 HOV - N & S	\$ 2.50	\$ 2.50	
Cost Increase SR-152/SR-156	\$ 1.50	\$ 1.00	Costs Reduced/Savings to Hwy Proj
Planning, Programming & Monitoring	\$ 2.00	\$ 2.00	
VTP 2030 Programs			
Local Streets and County Roads (LS & CR)	\$ 20.00	\$ 20.00	
Highway Project Development	\$ 5.00	\$ -	Moved to Hwy Projects listed above
Un-Programmed Local Program Reserve	\$ 4.94	\$ -	Moved to Hwy Projects listed above
Total	\$ 57.54	\$ 57.54	

Staff recommends providing funding for the three selected CMIA projects at this time in order to meet the required timelines for project delivery required by Proposition 1B and specified for each project by CTC. To meet the required timelines, the programming recommended in the memorandum would allow contracts for engineering services for the projects to be executed in Summer of 2007.

Additionally, staff recommends providing funding for the two other candidate projects that did not receive funding from CTC. The US 101/ SR-25 Interchange Project is ready to move into the Preliminary Engineering (PE) environmental clearance phase and the estimate to complete the work is \$4.5 million. The VTA Board of Directors previously programmed \$1 million to the project at the August 31, 2006 meeting for conceptual engineering. An additional \$4.5 million is required to complete environmental clearance, approve the project, define right of way needed and refine scope and costs of the project.

The I-280/I-880/Stevens Creek Interchange project is also ready to move to the PE/Environmental phase. The PE/Environmental phase will be primarily funded by Federal earmarks and the required federal matching funds being provided by City of San Jose and VTA. Staff is recommending VTA program \$500,000 in LPR funds to match federal funds.

The authorization for engineering service contracts for the five projects are the subject of separate actions, also included on the June 7, 2007 Board of Directors agenda.

The remaining funding for the final design and right of way phases of CMIA projects will require additional programming actions by the VTA Board of Directors in order to fulfill the commitment as a project sponsor. Staff will return to the Board with programming recommendations following the release of the 2008 STIP scheduled in the Fall of 2007. Remaining commitments after approval of the recommendations included in the memorandum for each project are described below:

<u>Project</u>	<u>Remaining</u>	<u>Total</u>
I-880 Widening (Route 237 to Us Route 101)	\$14.86 million	\$23.40 million
US 101 Improvements (I-280/680 to Tully Road)	\$ 4.76 million	\$11.76 million
US 101 Improvements (Embarcadero Road to Route 85)	\$13.83 million	\$17.33 million

ALTERNATIVES:

The Board may decide to defer this decision until a later date. However, this could cause a delay in CMIA project schedule and result in a potential loss of State funding.

FISCAL IMPACT:

There is no impact to the VTA Transit Enterprise Fund. STIP funds in the amount of \$57.54 million exchanged through the Measure A program will be made available to transportation projects in Santa Clara County.

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