



S A C O G

## SACOG Board of Directors

Item #06-2-16  
Action

February 9, 2006

### State Infrastructure Bond Legislation

**Issue:** How should SACOG approach discussions and negotiations for the state's infrastructure bond, to ensure our region is considered for appropriate transportation funding?

**Recommendation:** The Legislation & Public Affairs Committee recommends that the SACOG Board of Directors approve the policy priorities listed below, and continue work to build a more focused standby list of project priorities to insert into a bond program if the state's funding proposal ends up moving in that direction.

**Committee Action/Discussion:** At its January 19 meeting, the Board approved a broad \$3 billion list of projects from all over the region to keep in play during discussions about a state infrastructure bond. A \$3 billion list is so large and unfocused that it is difficult for SACOG staff or its lobbyist to use effectively.

The Governor's proposed infrastructure bond program is part of a package of ten bills that would implement the Governor's Strategic Growth Initiative, which also includes a Proposition 42 firewall bill (ACA 4) and CEQA reform legislation (SB 832). The Legislature is considering two other infrastructure bond proposals: Senator Perata's SB 1024 carried over from the 2005 session and Speaker Nunez's AB 1783, newly introduced in January 2006. The Legislature is also considering at least eight other more specific infrastructure bond proposals, listed on Attachment B. Agenda items 17 and 18 cover other parts of this broader topic of discussion.

The Assembly Transportation and Senate Transportation & Housing Committees have scheduled a series of hearings through February to discuss the infrastructure package, to develop direction to a conference committee and the leadership for negotiations with the Administration. Staff expects the Governor's proposal and one or more of the legislative bills to merge at some point, and a package of funding and reforms to proceed forward on a fast track from there.

The Legislation & Public Affairs Committee recommends that SACOG, in concert with other regional agencies around the state, seek to shape the state's bond proposal as follows:

- Ensure that a Proposition 42 firewall is the primary element of any transportation funding package;
- Seek as a first priority use of any new transportation funds to pay back all outstanding general fund loans from transportation, which still total about \$2.5 billion, to restore stability to transportation programs;
- Direct any further new transportation funds through existing programs where the State and regions work in partnership to define investment priorities, including particularly the State Transportation Improvement Program (STIP), instead of identifying projects via earmarks; and
- Introduce Blueprint-type smart growth considerations and implementation incentives into infrastructure funding considerations, including those for transportation.

The Legislature at this point appears to be heading in a direction similar to the regional policy framework outlined above, but in case the process takes a turn and heads for an earmark program, staff has solicited priorities from all agencies in the region, toward assembling a standby list of perhaps 50 projects regionwide, including each jurisdiction's top priority for regional funding, and has attached a list of principles (Attachment A) it would apply to these projects to sort out the best candidates for the infrastructure bond if that necessity arises; staff expects to have a full list by the Board meeting. The same strategy and list also could be used for other discretionary funding opportunities that may arise periodically.

Approved by:

Mike McKeever

Executive Director

MM:PH:ts

Attachments

Key Staff: Pete Hathaway, Director of Transportation Planning, (916) 340-6235

S:\SACOG\BRDPCKTS\2006 Packets\Feb\16-State infrastructure.doc 0602301

**Proposed Principles for Project Selection for Funding Opportunities**

Solicit a list of perhaps 50 projects of regional and local, including at least one of top priority from each jurisdiction, that are ready for implementation.

-----

Review proposed funding source:

- What are the objectives stated for the funding?
- What criteria will be used for projects?
- How much funding will be available, and how much could SACOG likely obtain?

-----

Examine the list of regional and local projects to assess which ones to use for the funding source at hand:

- Determine which projects BEST fit the proposed program's objectives and criteria.
- Favor projects that can use funds for construction, with right-of-way only, engineering-only, or environmental studies-only as lower priorities.
- Assess regional versus local priority, and regional importance to address congestion in infill areas, support for Blueprint development patterns and activity centers, foster walking, bicycling, and transit use, and serve freight movement.
- Examine completion year in the Metropolitan Transportation Plan.
- Ensure full funding to complete the phase of work is available, including committed federal, state, regional, or local funding.
- Seek to avoid projects where partial funding would increase pressure for additional regional funding commitment in the next program cycle.
- Favor funding of higher cost projects first, to the amount of funding available, since they are otherwise harder to implement.

**Specific Infrastructure Bond Bills Active in 2006 Session**

- AB 1831 (Jones) California Critical Infrastructure Facilities Bond
- AB 1833 (Arambula) Public Safety Bond, AB 1836 (Daucher) Educational Facilities Bond
- AB 1838 (Oropeza) Transportation Bond
- AB 1839 (Laird) Water: Flood Protection and Clean, Safe, Reliable Water Supply
- SB 153 (Chesbro) California Clean Water, Safe Neighborhood Parks, and Coastal Protection Act
- SB 1164 (Runner) Education Facilities, SB 1163 (Ackerman) California Critical Infrastructure Facilities Bond
- SB 1165 (Dutton) Transportation Bond
- SB 1166 (Aanestad) Water-Flood Protection and Clean, Safe, Reliable Water Supply.