



Transportation Committee

March 3, 2009

Approve Programming Approach and Project List for Economic Recovery Act Funding from the State (Sacramento, Sutter, Yolo, and Yuba Jurisdictions)

Issues: (1) Should SACOG approve the approach and project list for the portion of funds from the American Recovery and Reinvestment Act (ARRA) expected to flow to the region from the State of California? (2) Should SACOG consider a separate Caltrans proposal to partner on the U.S. 50 HOV project?

Recommendation: That the Transportation Committee: (1) recommend that the Board consider and approve both the approach and list of projects for the second portion of the ARRA funding expected to come to the region from the state and (2) consider whether or not to recommend to the Board a proposal to partner with Caltrans by guaranteeing the department \$40 million in federal funds on a cash flow basis if state Proposition 1B bond funds have not been sold by February 2011.

Discussion: President Obama signed the ARRA into law on February 17, 2009. The transportation funds under SACOG's purview fall under two primary categories: "highway" or "flexible" transportation funds and transit funds. Staff has been leading separate yet parallel processes for programming projects for both of these funding categories. For the highway/flexible funds—which are administered by the Federal Highway Administration—staff has identified three different sub-categories of funding. Under the law, 30 percent of the funding to the state under this category is to be sub-allocated directly to the regions. (This is the \$32 million which was programmed to rehabilitation projects in the four-county region at the February 19 Board meeting.) Another sub-category of funding is expected to come to the regions from the state, either through an expedited State Transportation Improvement Program (STIP) process or directly programmed by the regions. This amount is estimated to be as much as \$38 million for the four-county region. The third sub-category consists of Transportation Enhancement (TE) funds, estimated to be about \$2 million for our region. Exactly what amount will be available or what process will be used for these last two sub-categories is still unknown, but is likely to be discussed at the California Transportation Commission meeting on March 11 and 12 and should be resolved shortly by the California Legislature.

In order to keep moving forward, staff has developed (1) draft screening criteria and evaluation policies to help identify a \$40 million list of candidate projects for the four-county region (from the larger list presented at the February 19 Board meeting); (2) guidelines for implementing the state/TE projects; and (3) a recommended list of state/TE projects. Staff has reviewed the approach and draft list with staffs from the Sacramento, Sutter, Yolo and Yuba county jurisdictions and has provided overview briefings to the Regional Planning Partnership and the Planners' Committee.

As directed by the Board in February, staff met with Caltrans on February 26 regarding its proposal for SACOG to program \$40 million in ARRA funds to the U.S. 50 High Occupancy Vehicle (HOV) Lane project. Staff does not recommend programming \$40 million in ARRA funds to the project at this time, because Caltrans cannot guarantee that it will pay back SACOG in similarly flexible funding and cannot guarantee a date by which the funds would be repaid. Instead, staff is discussing an alternate

solution with Caltrans. The problem Caltrans faces is a project cash flow shortage in 2011 because of the current unavailability of Proposition 1B bond funds. If Caltrans could count on SACOG's providing \$40 million to this project in 2011, in the event that the project does not receive bond sale funds, then Caltrans could go out to bid knowing the project funding is secure. Therefore, the alternate solution is for Caltrans to use \$40 million in state ARRA funds now and for SACOG to commit to provide \$40 million of funds in 2011 (source: 2011 Federal Fiscal Year RSTP and CMAQ funds).

Staff is still waiting to hear back from Caltrans regarding certain aspects of the proposal; however, if the CTC will commit to including U.S. 50 HOV among those projects to receive early bond sale proceeds, then staff could, if the other terms and conditions are favorable, recommend that SACOG give consideration to offering a 2011 funding commitment for cash flow purposes. More details of this proposal will be provided at the March 5 Transportation Committee meeting.

Approved by:

Mike McKeever
Executive Director

MM:OW:JPC:gg
Attachment

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**DRAFT SCREENING CRITERIA AND EVALUATION PRINCIPLES FOR
AMERICAN RECOVERY & REINVESTMENT ACT TRANSPORTATION PROJECTS**

Overriding Principle: Use Up All Funds Available to the Region
(Do Not Lose Any Funds)

Screening Criteria

1. Creates jobs
2. Deliverability/readiness (90 days to submit paperwork; 120 days to obligate funds)
3. Construction only (exceptions on case-by-case basis)
4. Air quality exempt (or non-exempt projects that do not require a new conformity analysis)
5. National Environmental Policy Act categorically exempt or already cleared
6. On existing lists (bicycle/pedestrian, Delivery Plan, Metropolitan Transportation Improvement Program, stimulus submittal, etc.)
7. Can be completed within three years

Evaluation Principles

1. Regional projects
2. Draw from 2009 Delivery Plan as feasible
3. Take advantage of partnership/leverage opportunities with other agencies
4. Make existing projects whole
5. Utilize Metropolitan Transportation Plan Principles
 - a. Access & Mobility
 - b. Equity & Choice
 - c. Financial Stewardship
 - d. Economic Vitality
 - e. Smart Land Use
 - f. Environmental Quality & Sustainability
6. Provide fair regional distribution, as feasible

**DRAFT GUIDELINES FOR IMPLEMENTATION OF STATE/TE PORTION OF
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

1. All Tier I projects to have a completed Request For Authorization (RFA) form to Caltrans no later than May 29, 2009.
2. An exception to the requirement of No. 1 above is the City of Sacramento's Intermodal Project (\$20M), which has until December 1, 2009, to submit a completed RFA to Caltrans.
3. Tier II projects should complete an RFA as soon as possible and submit it to Caltrans with a request that the project be held in order received and processed if there should be any funds available after May 29, 2009.
4. Caltrans should hold a reserve of \$20 million for the City of Sacramento's Intermodal Project after May 29, 2009, but any remaining funds on that date should be released to Tier I or Tier II projects on a first come, first served basis.
5. If the RFA for the City of Sacramento's Intermodal Project has not been submitted by December 1, 2009, the City of West Sacramento's Harbor Boulevard Project (\$28M) shall be considered the priority backup project. West Sacramento should submit an RFA to Caltrans no later than December 1, 2009. It is expected that the remaining \$8 million will be provided via a project swap in which \$8 million in RSTP projects will be moved into the STIP and RSTP funds used to backfill the Harbor project.
6. In the event that the Intermodal project is unable to get an RFA to Caltrans by December 1, 2009, or the Harbor project does not go forward, Tier II projects will be used to backfill the \$20 million in available Stimulus dollars. If for some reason, there should be insufficient projects ready, rehabilitation projects will be considered in order not to lose any available dollars to the region.
7. In the event the State is seeking additional candidate projects for Transportation Enhancement (TE) funds, staff shall forward to Caltrans all TE-eligible projects on this list.
8. The Executive Director requests authority from the Board to program any Tier II or III road rehabilitation project, any Tier II STIP/TE project or any other previously listed economic stimulus candidate project in order to prevent the potential loss of funds if insufficient project delivery has taken place and there is a lack of back up projects submitted by the respective deadlines of May 29, 2009, and December 1, 2009.

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Proposed American Recovery and Reinvestment Act Phase 2 Candidate Projects (Revised Draft)					
Lead Agency	Project Title		TE Eligible	Source	Obligation Date
Tier 1					
City of Citrus Heights	Greenback Lane Pedestrian Safety Project	\$1,500,000	Yes	Stimulus TE	4/21/2009
City of Elk Grove	I-5/Elk Grove Blvd Northbound On Ramp	\$200,000		Stimulus STIP	4/21/2009
City of Folsom	East Bidwell Bike/Ped Overcrossing	\$850,000	Yes	Stimulus TE	4/1/2009
City of Galt	ADA Sidewalk Improvements	\$300,000		Stimulus STIP	5/1/2009
City of Isleton	West End Road Rehabilitation	\$19,000			
City of Rancho Cordova	International Drive Extension & Folsom South Canal Bridge	\$500,000	Yes	Stimulus TE	2/1/2009
City of Sacramento	Intermodal Track Relocation	\$20,000,000		Stimulus STIP	7/22/2009
Sacramento County	Hazel Avenue Phase 1 - US50 to Curragh Downs Dr	\$10,000,000		Stimulus STIP	3/22/2009
SMAQMD	Bicycle Parking (Racks)	\$310,000	Yes	Tier 2/3	12/15/2008
City of Live Oak	Apricot Street Road Rehabilitation	\$120,000			5/1/2009
City of Yuba City	Bridge Street Revitalization & Enhancements	\$1,900,000	Yes	Stimulus TE	4/16/2009
City of Davis	Second Street Ped/Transit Improvements	\$650,000	Yes	Stimulus TE	5/1/2009
City of Davis	Bikeway Rehabilitation	\$600,000		Stimulus STIP	5/1/2009
Yolo County	CR 99, CR 29 & CR 99D Bikeways	\$368,568	Yes (partially)	Tier 3	2/1/2009
City of Marysville & Yuba County	Road Rehabilitation	\$2,100,000		Stimulus STIP	
City of Wheatland	Main Street Road Rehabilitation	\$450,000			3/22/2009
Total		\$39,867,568			
TE-Eligible Subtotal		\$6,078,568			
Tier 2					
City of Elk Grove	Intelligent Transportation System	\$5,000,000		Stimulus STIP	4/21/2009
City of Elk Grove	E-Tran Replacement Buses	\$1,000,000		Stimulus STIP	
City of Rancho Cordova	International Drive Extension & Folsom South Canal Bridge	\$8,100,000	Yes	Stimulus TE	2/1/2009
SRTD	Bus Maintenance Facility	\$6,200,000		Stimulus STIP	
Sacramento County	ADA Transition Plan Implementation	\$2,500,000		Stimulus STIP	4/22/2009
City of West Sacramento	Reconstruction of Tower Bridge Gateway	\$4,000,000		Stimulus STIP	4/22/2009
City of West Sacramento	Cemex Rail Access	\$600,000		Stimulus STIP	4/22/2009
City of West Sacramento	US 50 Harbor Blvd Interchange	\$28,500,000		Stimulus STIP	
City of Woodland	Main Street Lighting Project	\$300,000	Yes	Stimulus TE	
Unitrans	Unitrans Replacement Buses	\$4,018,633		Stimulus STIP	
City of Marysville	Marysville Traffic Signal Upgrade Project	\$1,500,000		Stimulus STIP	3/22/2009
City of Marysville	Highway 20 and 70 Beautification Project	\$1,400,000	Yes	Stimulus TE	3/22/2009
Total		\$63,118,633			
TE-Eligible Subtotal		\$9,800,000			
Total Additional ARRA Programming		\$102,986,201			
TE-Eligible Total		\$15,878,568			