



Transportation Committee

May 26, 2009

Funding Shortfall on the U.S. 50 HOV Lanes Project

Issue: Update on efforts to fund the U.S. 50 HOV lanes project now rather than to delay the project due to the economic downturn.

Recommendation: None at this time; for your information.

Discussion: As presented at your May 21, 2009, special Board meeting, the Sacramento Transportation Authority (STA) is in need of \$28.805 million to fully meet its \$80 million Measure A commitment to the U.S. 50 HOV lanes project, if the project is to go forward at this time. This shortfall was discovered during a new financial projection for Measure A done recently in response to the present economic downturn. Since this discovery, the California Transportation Commission (CTC) has indicated that it needs to see a plan to meet this shortfall by its next meeting on June 10; otherwise, the \$80 million state share of Proposition 1B funds in this project will very likely be directed elsewhere in the state.

Upon hearing this information, the SACOG Board authorized staff to reconfigure SACOG's 2007 \$10 million loan to Caltrans to allow \$3.5 million in CMAQ funds to be shifted from preliminary engineering/environmental to construction. The Board also endorsed SACOG staff's efforts to do their best to assist STA and Caltrans to make sure that (1) the \$80 million state share in the project was not lost to the region and (2) to take advantage of the current low bidding climate.

SACOG, STA, and Caltrans staffs have continued to strategize regarding various options. One of the most plausible ones, which may be recommended to the STA Board at its June 8, 2009, meeting for action, is as follows:

1. STA to commit two annual apportionments of its State-Local Partnership Program (SLPP) funds—about \$14.4 million—to the U.S. 50 project.
2. About \$11 million of the Measure A available funds in FY 2012 to be programmed on the U.S. 50 project.
3. Caltrans' Measure A project on Interstate 5 to be delayed, and about \$40.635 million already programmed for that project and the U.S. 50 project to be directed solely to the U.S. 50 project. It should be noted that the \$40.635 million includes an additional \$11.27 million of Measure A funds transferred in FYs 2010 and 2011 to augment this project.
4. \$3.5 million in SACOG-loaned funds to be shifted to construction.

This option will bring the total available funds to \$69.535 million and, including what already has been spent on the project, will match STA's total commitment. For this strategy to be successful, the STA board must approve this proposal or one that generates similar revenue for the project at its June 8 meeting, and the CTC must concur in the advance programming of \$7.2 million SLPP funds.

Approved by:

Mike McKeever
Executive Director

MM:SAO:gg

Key Staff: Matt Carpenter, Director of Transportation Planning, (916) 340-6276
Olin Woods, Capital Program Manager, (916) 340-6220
Samson A. Okhade, Senior Planner, (916) 340-6222

cc: Brian Williams, STA
Jody Jones, Caltrans