



Transportation Committee

Item # 16-2-9
Action

January 28, 2016

State Transportation Improvement Program Target Revision

Issue: Within the SACOG four-county region, how should the SACOG Board address the reduction in State Transportation Improvement Funds (STIP) just announced by the California Transportation Commission (CTC)?

Recommendation: That the Transportation Committee recommend that the Board:
1) authorize staff to submit a revised Regional Transportation Improvement Program (RTIP) to the CTC by February 26th that reduces the net four-county regional total amount by \$11.48 million; 2) commit to matching the impacted projects with federal funds secured through programming \$4.93 million in apportionment growth increment from the FAST Act, \$4 million in net savings from a Caltrans project delivery agreement, and \$2.548 million from deprogramming the Caltrans Adaptive Signal project; and 3) direct staff to work with local agencies to identify additional project funding reduction opportunities that can be brought back to the Board for consideration in March or April, as needed.

Discussion: SACOG staff has been actively engaged in tracking ongoing discussions related to the STIP within the legislature and the CTC. On January 7, the 2016-17 Governor's Budget proposal was released, reflecting the lower price-based excise tax rate projected by the Department of Finance in 2015. The price-base excise tax is a primary source of transportation revenue within the state. In response to the decreased rate, the Department worked with the CTC to develop updated price-based excise tax rate scenarios over the STIP fund estimate period.

On January 21, the CTC took action on a revised STIP Fund Estimate based upon a tax rate scenario that reflects low rates and a flatline increase overtime. The projected amount reduces STIP revenue from the fund estimate approved last year by the CTC and used by SACOG for the 2015 Regional Funding Round. The result is a "negative STIP." When this revision is applied to what is programmed in the 2014 STIP, the cumulative difference is a \$754 million, 6-year shortfall statewide. As a result of the "negative STIP," all regional agencies must submit revised 2016 RTIPs by February 26 to align with the new negative funding capacity available. While \$754 million is the reduction needed statewide, the new CTC fund estimate includes targets for each region. As such, there is a reduction target of \$24.15 million for the four-county SACOG region.

Similar to other regions, staff recommends resubmitting the SACOG RTIP with a reduction that is not as great as the new target, and to advocate over the coming months that the CTC should approve SACOG's RTIP that reflects a more modest reduction. In support of this strategy, staff recommends submitting a revised RTIP in February that reflects a net reduction of \$11.48 million, or 48% of the \$24.15 million STIP funding target reduction estimate from the CTC.

By reducing SACOG's RTIP submittal by \$11.48 million, the Board would protect all of the Tier 1 programming commitments made through the 2015 Regional Funding Round. The only change in this scenario is that projects previously matched with STIP funds would instead be matched with federal funds. Furthermore, this scenario would allow the Board to remain consistent with the Regional Funding Round funding target action taken in September 2015 that limits the programming to only "two years of new federal apportionments". To reach a reduction of \$11.48 million in the revised RTIP submittal, staff recommends the following actions that involve both state (STIP) and federal funds controlled by SACOG:

Actions Related to the Programming of State (STIP) Funds:

1. Update the 2016 RTIP submittal with two types of deletions that total \$35.5 million. See **Attachment A (1)** for the project list.
 - Delete \$24 million in projects that have already been delivered using other SACOG funds.
 - Delete the currently programmed \$11.5 million ramp meters project if the Board acts on the recommended action in Committee Item #8.
2. Update the 2016 RTIP submittal with two types of additions that total \$24.169 million in new projects.
 - Add \$12.669 million in new replacement projects, as listed in **Attachment A (2)**.
 - Add \$11.5 million for the Capital City Freeway Project, if the Board acts on the recommended action in Committee Item #8. This would include modifying the SACOG Board awarded \$0.9 million to Caltrans for project development efforts along a small segment of the SR 51 (Capital City) freeway.

Actions Related to the Programming of Federal Funds:

3. Commit to programming federal funds instead of STIP for the \$11.48 million in projects identified in **Attachment A (3)**, and remove these projects from the resubmitted RTIP.
4. Secure revenues from three sources to meet the \$11.48 million need for federal funds:
 - \$4.93 million increase in estimated additional federal apportionment funding (CMAQ and RSTP) from the FAST Act for the FY 2015/16 – FY 2018/19 period. The 2015 Regional Programming Round funding target adopted by the Board last fall assumed no increases in CMAQ or RSTP federal apportionment funds for the four year period.
 - \$4 million in net programming savings if the Board acts on the recommended action in Committee Item #8.
 - \$2.548 million in deprogrammed regional funds from the Adaptive Signal project from Caltrans, with a commitment from SACOG to explore with Caltrans District 3 an appropriate substitution project that does not exceed \$1 million in regional funds for later Board programming consideration.

If the CTC requires SACOG to reduce further the amount of RTIP programming to be closer to the \$24.15 million target, staff will need to return to the Board in March or April with a revised recommendation. Options to reduce the RTIP project list beyond \$11.48 million include

deprogramming additional projects or revisiting the Board's decision to program only a portion of a third year of federal funds. Staff will be proactive in exploring project funding reduction opportunities with local agencies in advance of any further Board action that may be needed.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RDO:ds
Attachments

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(1) RTIP deletions:

1. Caltrans: I-5 HOV Lanes \$2 million- Project delivered using other funds.
2. Regional Transit: CNG Replacement Buses, Communications Equipment, and Spare Parts-\$18.5 million-Project delivered using other funds.
3. West Sacramento: Pioneer Bluff Bridge Phase 2 - Village Parkway Extension-\$2.5 million- Project delivered using other funds.
4. Woodland: East Main St Improvements-\$500,000- Project partially advanced using other funds.
5. Yuba County: Powerline Rd Safe Routes to Schools Phase 2- \$500,000 delivered using other funds.
6. Caltrans: Ramp Meters \$11.5 million- See recommended action in Committee Item #8.

(2) RTIP additions:

The projects identified in the Board's action in December 2015 were selected from the 2015 Regional Funding Round:

1. Rancho Cordova: Zinfandel Complex Improvements \$1.169 million
2. Sac County: Power Inn Rd Improvement \$4 million
3. SECJPA: Southeast Connector- Segment D3 \$7.5 million
4. Caltrans: Capital City Freeway Project Analysis, Environment, and Design \$11.5 million. See recommended action in Committee Item #8.

(3) Projects to match with Federal Funds:

1. Elk Grove: Arterial Roads Rehab Project \$2 million
2. Sac County: Eastern Ave., El Camino Ave., and Marconi Ave. \$4.735 million
3. Woodland: West Main Street Bicycle/Pedestrian Mobility and Safety Improvements \$2.443 million
4. West Sacramento: Road Rehabilitation and Complete Streets \$2.3 million