

Measure “C” Extension Update

September 14, 2010

In October 2009 the board adopted an amendment the Regional Transportation Program to program \$82.8 million in previously unprogrammed revenues for the purpose of developing shelf ready projects in anticipation of various future federal or state revenues becoming available. The major schedule enhancements provided resources to design and acquire Right of Way for the SR 180/41/168 Braided Ramps, Veterans Blvd. and the next phase of SR 180 East from Academy to Trimmer.

Subsequently various events have transpired that merit revisiting the program schedule. On the positive side the Braided Ramp project was incorporated into the SHOPP program, receiving \$55 million. However a number of things occurred on the negative side. The CTC updated State and Local Partnership (SLPP) guidelines clarifying program funding must be used on the construction phase of the project. Montague DeRose revised sales tax downward in light of the current economic malaise. There has been no new STIP county shares. Current STIP County shares have been over subscribed by \$20 million and future awards have been pushed out into the future pending a fix in the state budget. The RTMF fee is now being implemented and preliminary collections indicated it may take considerably longer for the fee to build up than was anticipated during the formation of the Nexus study.

These changes have been reflected in the proposed implementation schedules and the primary decision facing the board is to determine which project will be the next STIP candidate, Veterans Blvd, or the phase of SR 180 from Trimmer to Frankwood. Staff has prepared three recommendations supporting the options and proposes taking them though the sub committee, TTC, PAC, and Authority in October to develop consensus before proposing board action in November.

Subsequent to the SHOPP award, the Braided Ramp project has been advanced to 2010/11 as a design build project. The infusion of \$55 million SHOPP funding was certainly a benefit to the program overall, however in order to receive this funding the \$14 million in local funding programmed on the project that was spread out through 2014/15 must also be advanced affecting the cash flow dynamic of the program. The SHOPP award freed up \$28 million in currently available STIP county shares that were being requested in 2013/14 and can now be programmed on another project. The remaining \$27 million in STIP funding freed up from the SHOPP award is future STIP funds that are not in the county share balance at this time. This recommendation makes a key distinction between the \$28 million in currently available STIP county shares and future STIP county shares in that CTC staff can give no clear guidance on the availability of future STIP due the economic condition and dysfunctional state budgeting process.

In light of the persistent decline in sales tax revenues the Authority requested Montague DeRose revisit the long range projection. The most optimistic projection lowers sales tax over the twenty year period for the entire Measure \$502 million to \$1,212,628,706, a 29.3% reduction. This reduces funding to the Regional Transportation Program by

\$147.5 million, spread equally between the Urban and Rural programs a \$73.8 million reduction for each.

The first six months of RTMF collections totaled \$262,000. This is probably not a good indication of future collections as development has been in a slump and there was a back log of vested entitlements that went through the system with no fee collected. Staff has conservatively estimated that collections in the second year could approach \$1.1 million and has projected a 5% annual increase going forward. Since the Braided Ramps was SHOPP funded there are two remaining major projects eligible for this funding. Veterans, and SR 180 East. A list of Freeway Deficiency projects that were included in the RTMF Nexus study are not part of this analysis as there is no Measure funding associated with them. The assumption is they will be dealt with after the major projects are complete.

The CTC SLPP guideline 'construction only funding' clarification effected the adopted strategy to develop shelf ready projects, as SLPP had been proposed to design and acquire ROW for Veterans Blvd. The SLPP program belongs to the Transportation Authority and must be matched 50/50 with Measure dollars. There is approximately \$22 million in this program. The program provides approximately \$4.5 million a year, allocations can not be advanced, and we are in the third year with \$13.6 million currently available. After consulting with the Authority, the staff proposal recommends \$13.5 million to fund the construction phase of the next segment of SR 180 East, Academy to Trimmer in 2012/13. The \$8.8 million balance is proposed to be used on Mt View in the same year. The basis of the recommendation reflects SLPP is state bond money that cannot be set aside and saved therefore it should be used expediently. There simply isn't enough overall funding to use it to construct the \$116 million Veterans Blvd. project in 2012/13, the last year of the SLPP bond allocations. In a situation of 'Use it or Loose it' SR 180 and Mt. View are a clear choices.

The landscaping of SR 180 West – Hughes West to Brawley is the next project in line for the STIP funds freed up for the Braided Ramps. However this project only consumes \$5.5 million leaving a \$22.6 million balance of current STIP county shares. As noted above the distinction is made between current STIP county shares and future STIP county shares. The reason of course is the current STIP can almost be counted as money in the bank whereas there is considerable uncertainty as to the amount and timing of future STIP allocations. Another factor to consider is the trend the federal government has established making emergency stimulus allocations. If ARRA and the aborted Stimulus II was any indicator of future allocation constraints, future federal funding will be aimed at projects that are shelf ready and must be delivered within a tight time frame with currently available resources. The practice of setting on federal funding allocations until they accumulate enough to do a very large project does not work under this constraint. There fore it makes sense to develop a shelf ready project that could conceivable be fully funded by a reasonable future allocation. There are three proposed alternatives

The first STIP alternative proposes that SR 180 Trimmer to Frankwood become the next STIP candidate. The proposal uses \$18,200 of the current STIP balance to acquire the right of way in 2013/14. This assumes the CTC will allow us programming capacity in

2013/14 which in itself could be optimistic. The construction would then require another \$29 million in future STIP for construction in 2015/16. The merit of the proposal is it would develop SR 180 Trimmer to Frankwood as a shelf ready project that would allow a reasonable chance to deliver if unanticipated state and federal revenues materialized. However under this proposal RTMF and STIP balances would have to build up to allow ROW acquisition for Veterans which would be postponed until 2016/17 with construction in 2021/22.

The second STIP alternative is the same as alternative one with a twist to allow ROW to proceed at an earlier date for Veterans. The proposal uses \$18,200 of the current STIP balance to acquire the right of way for SR 180 East from Trimmer to Frankwood in 2013/14. The proposal goes on to recommend the first \$14.5 million in future STIP funding be used to acquire ROW for Veterans Blvd in 2014/15. The next \$30 million in future STIP funding would be used to construct SR 180 Trimmer to Frankwood in 2016/17. The construction phase of Veterans still occurs in 2021/22 using a combination of future STIP funds and accumulated RTMF revenues.

The third STIP alternative throws the proverbial STIP/RTMF kitchen sink at Veterans. Under this proposal the current STIP balance would be used to acquire ROW for Veterans in 2013/14, again assuming CTC program concurrence. However the combination of RTMF and STIP funds don't build up enough to construct the project until 2019/20 therefore the ROW for SR 180 Trimmer to Frankwood would occur substantially in 2020/21 with construction in 2021/22. The downside to this proposal is it only advances Veterans construction two years and leaves the region no viable shelf ready major project should additional federal funding materialize.

It should be noted that the reduction in sales tax causes delays in other projects schedules irrespective of the alternative analysis on Veterans and SR 180. In the Urban program, segments of Willow, Ventura, Herndon, Shaw, and California slipped back at least a year, sometimes more. There is not enough funding to do the \$61.5 million Herndon UPRR underpass widening project. On the Rural program the design for Golden State slipped back two years to 2015/16, the construction slips three years to 2018/19 and must be phased over a three year period. The SR 269 Bridge slipped five years to 2024/25. The I5-SR198 Interchange slipped three years to 2026/27. There is not enough funding to do the \$46.5 million construction phase of the American Avenue Interchange or the entire \$305.1 million SR180 West I5 connection.

Measure C Subcommittee

10/21/10

SR 180 East – 2 Lane or 4 Lane ?

COG staff was requested to gather information on building the next segments of SR 180 East (Quality Ave. to Trimmer and Trimmer Springs Rd. to Frankwood Avenue) as a two lane expressway on 4 lane ROW rather than the 4 lane expressway on 4 lane ROW as it has historically been programmed. The projects are proposed to be built with a 52 ft. median and 10 ft. shoulder per department specifications. A factor to consider, Caltrans cannot use condemnation to acquire ROW if they can't demonstrate a funding source to build out the project within seven years. Caltrans has provided estimates of the differential cost between building the next SR 180 segments as 2 lane or 4 lane. The Quality to Trimmer segment could recognize a savings of \$6.7 million by building it as a 2 lane, however it would cost \$16.5 million (non-escalated) to come back and build the other two lanes in the future. Trimmer Springs Rd. to Frankwood Ave. could save \$6.6 million but could potentially cost \$21 million (non-escalated) in the future. From a technical level, traffic volume has increased on State Route 180 East, and the COG Traffic model currently projects the Level of Service will drop to D by 2018/19. From the Department of Transportation's perspective, the traffic volume and economies of scale are there to warrant a 4 lane facility, and Caltrans advises COG staff that Department regulations mandate they will not construct a two lane facility when a four lane facility is warranted.

Prop 1B: State- Local Partnership Funding

The following explanation is provided to address any perceived "equity" issue concerning the programming of State Local Partnership Program funds. Unlike the Measure, SLPP funding has no Urban/Rural restrictions. Initially, when the 2009 update to program an additional \$82 million was done, the design for Veterans Blvd. was moved up from 2017/18 to 2010/11 and ROW was advanced from 2020/21 to 2010/11-12. The advancement of ROW was made possible by programming most of the SLPP funding for ROW on the Veterans Blvd project. Subsequent guidelines issued by the CTC clarified that SLPP funding could only be used for the construction phase of a project. Furthermore, since this funding is state bond money, it is required to be spent relative to the five year program which ends in 2012/13. It is clear, lacking some extraordinary infusion of new funding, the \$116 million needed to acquire ROW and construct Veterans Blvd will not be available in this time frame, therefore staff conferred with Fresno County Transportation Authority staff and identified two projects: SR 180 East-Quality to Trimmer Springs Rd. and Mt. View Avenue which fit the timing criteria. With regards to "equity", of course both projects are Rural and this conveys an appearance the Rural program is getting a windfall at the expense of the Urban program. However, from a staff perspective, the same observation could have been made from the opposite perspective initially when almost the entire SLPP program was programmed on the Urban side for Veterans Blvd. The point is, neither the Urban or Rural program are required to be addressed in the SLPP program. The only condition as imposed by the Fresno County Transportation Authority (the SLPP is the purview of the FCTA) is that the SLPP funds be used on a Measure C Tier 1 project. The staff recommendation considers "project delivery" to be the prime determining factor in programming these funds. However, at the request of the City of Fresno, the subcommittee requested staff solicit alternative projects that would result in SLPP funding being

spread more equitably between the Urban and Rural programs. Subsequently, staff issued a Call for Projects, and the City of Fresno submitted two projects, Willow Avenue– Shepherd Ave. to Behymer Ave., and the SR 180 West Frontage Rd which could utilize SLPP in the required time frame. The two projects together could consume \$3.9 million in SLPP funds.

A variation of Alternative 1 was analyzed to determine if it is possible to advance the ROW component of Veterans Blvd. into 2013/14 using the \$3.9 million in Urban savings provided by programming the alternate projects with SLPP in conjunction with moving other Urban projects back. After conferring with the City of Fresno, Willow Ave.– Herndon Ave. to Alluvial Ave. and International Ave. to Copper Ave, and Peach Avenue- Jensen Ave. to Butler Ave. were temporarily moved out of the Short-Term Plan to see if capacity existed, however when the ROW for Veterans Blvd. was moved up, it resulted in a \$7.8 million deficit in 2013/14 that would require moving a combination of other urban projects, Ventura Ave. , the remaining segments of Peach Ave., Shaw Ave, and Temperance Ave., and most likely would require buy in from the City of Clovis as they share Willow Avenue with the City of Fresno.

In conclusion, applying SLPP funding to the alternate projects, Willow Ave. or the SR 180 W Frontage Road doesn't advance either project, as the Willow Ave. project already has a cooperative agreement for Measure funding, and the Frontage Rd. project is currently in line to receive a cooperative agreement for Measure funding in 2010/11.

Nor does it compromise delivery of the SR 180 East projects and the Mt. View Ave. project per the previous staff recommendation. This is because the Rural program was carrying a \$4 million surplus in those years, and the surplus will have a hold harmless impact on the above mentioned projects . What this approach does do, is lessen the perceived reduction on the Urban program from transferring the SLPP funding to the Rural projects and slightly effects the timing of subsequent scheduled Urban and Rural projects by not more than a year. With this in mind, staff's position is neutral on this issue and the subcommittee can decide if equity concerns should be addressed in allocating the SLPP funds. The recommendation remains to use SLPP funding to deliver SR 180 East-Quality Ave. to Trimmer Springs Road and Mountain View Ave. in 2012/13.

In the previous recommendation, Staff had identified \$28.10 in STIP County Shares currently available for programming. The \$5.5 million landscaping of State Route West- Hughes- West Diagonal to Brawley Ave. is required mitigation for the freeway project and therefore the next logical project in line, leaving a balance of \$22.6 million to in STIP funds to be programmed. Ideally staff would request the CTC to program our county shares in 2013/14, however there is no guarantee this will happen as the current STIP program is over programmed by \$20 million and the state of California's financial situation is uncertain at best. The remaining \$22.6 mil is enough to do ROW for either Veterans Blvd. or the next phase of SR 180 East – Trimmer Springs Rd. to Frankwood Ave., but not both. The primary question before the subcommittee is which project to program the currently available STIP \$22.6 million on.

A secondary issue regarding STIP funding is the obligation to designate the next logical candidate for future STIP funds. The selected candidate should also be able to make use of additional state or federal funding should additional federal stimulus funds materialize. A key consideration, increasingly, new funding appears to be coming with requirements to deliver projects in a relatively short time frame or risk losing the funding. The emphasis appears to be aimed at rewarding projects that are designed, have right of way certified, are ready for

construction, and can demonstrate full funding for rapid delivery. This makes the strategy of identifying partial funding in bits and pieces from various sources and saving until the parts add up to the whole more difficult. A key component of the discussion therefore, is the ability to demonstrate full funding for a project with a reasonable estimate of future funding.

Due to the current condition of the state budget it is not known when or how much STIP funding will be available in the future. Also uncertain is whether there will be another round of federal stimulus funding. Various options were provided at the previous discussion showing how the construction phases of Veterans Blvd. and SR 180 E-Trimmer Springs Rd. to Frankwood Ave. may possibly be funded. It is emphasized that all these scenarios require a new infusion of STIP county shares or another currently unknown source of other state or federal funding to complete the ROW phase for either one of these projects, and the construction phase for both of these projects.

SR 180 E-Quality Ave. to Trimmer Springs Rd. and Trimmer Springs Rd. to Frankwood Ave. have both been programmed in the STIP for PSE and ROW support cost for a number of years under the prior Measure. Veterans Blvd. was introduced as a regional project in the 2006 Expenditure Plan approved by the voters and has never been programmed in the STIP. The 2000 Measure C Expenditure Plan scheduled both of the SR 180 East projects for construction in 2005/06, however they were deferred to the Extension Measure in the 2007 Plan when a prior segment of SR 180 East (Clovis to Temperance) was delayed three years due to the combined effects of reduced STIP funding, and a significant cost overrun created by inflation, and the addition of a previously unplanned structure (at the request of the City of Fresno) to serve a large development in the area. The SR 180 East- Temperance Ave. to Quality Ave. segment, which is currently under construction, was a candidate for STIP funding under the old Measure, but eventually was completed with a combination of Measure and \$18 million in Federal ARRA stimulus funding. The current staff recommendation anticipates the next phase of State Route 180 East- Quality Ave. to Trimmer Springs Rd. can be delivered using a combination of Measure and SLPP funding. The question for the Subcommittee is therefore is not so much which project, Veterans Blvd. or SR 180 E-Trimmer Springs Rd. to Frankwood Ave. should be the next STIP candidate, but rather, should Veterans Blvd. displace the SR 180 E Trimmer Springs Rd to Frankwood Ave. as the long proposed candidate. The discussion of the SR 180 E-Trimmer Springs Rd to Frankwood Ave. segment verses Veterans Blvd. is the subject of the alternative analysis below.

Alternative 1. This alternative shows SR 180 E-Trimmer Springs Rd. to Frankwood Ave. using the currently available STIP- \$22.6 million, to acquire ROW in 2013/14. Assuming the adequacy of future STIP funding, the construction phase could be delivered in 2015/16. The proposal suggests STIP funding may be adequate to fund ROW for Veterans Blvd. in 2016/17, however construction for Veterans Blvd. would require saving up STIP and RTMF funding to construct the project in 2021/22. The merit of the proposal is SR 180 E-Trimmer Springs Rd. to Frankwood Ave. is consistent with the Plan that has been adopted and in place since the original Measure (1986-2006). It would also be easier to demonstrate full funding for the project should an additional infusion of state or federal dollars become available.

Alternative 2. This alternative proposal suggests a compromise to do the ROW for SR 180 E-Trimmer Springs Rd to Frankwood Ave. in 2013/14 with the current \$22.6 million STIP, purchase Veterans Blvd. ROW with future STIP in 2014/15, and construct SR 180 E-Trimmer Springs Rd. to Frankwood Ave. in 2016/17. The construction of Veterans Blvd. would be subject to the same constraints as Alternative 1 in 2021/22.

Alternative 3. This alternative is supported by the City of Fresno and devotes all current and future STIP and RTMF resources to Veterans Blvd before beginning the ROW phase of SR 180 E-Trimmer Springs Rd. to Frankwood Ave.. The difficulty of this proposal is the ROW phase of SR 180 E-Trimmer Springs Rd. to Frankwood Ave. wouldn't actually fall back to 2020/201 as previously reported. As a priority project, it would bump the next projects scheduled to be delivered, Golden State Blvd. and the State Route 269 Bridge. Adequate Measure funds would have accumulated to do ROW for SR 180 E-Trimmer Springs Rd. to Frankwood Ave. in 2015/16-17. The construction would be done with STIP in 2020/21-22. The design phase of the Golden State Blvd. project would move to 2017/18 with construction scheduled for 2020/21-22. The State Rt. 269 Bridge would move back to 2025/26.

Measure "C" 2010/11 Regional Transportation Program Update

10/14/10

Alternative 1 - SR 180 Trimmer to Frankwood - Current STIP - Veterans Future STIP

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SR 180 Trimmer to Frankwood	X								
ROW									
Construction			X						
Veterans									
ROW				X					
Construction									X

Alternative 2 SR 180 Trimmer to Frankwood - Current STIP - Veterans Future STIP - Alternate

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SR 180 Trimmer to Frankwood	X								
ROW									
Construction				X					
Veterans									
ROW		X							
Construction									X

Alternative 3 Veterans - Current and Future STIP and RTMF

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2026/26
SR 180 Trimmer to Frankwood				X									
ROW													
Construction								X					
Veterans													
ROW	X												
Construction							X						
Golden State													
Design					X								
Construction													
Rt. 269 Bridge													
Construction								X					X

History of State & Federal Funding

		State/Federal Funds (In Millions)	
Year	Project	Urban	Rural
1990	SR 180 - SR99 to SR 41	72.35	
	SR 180 - SR 41 to Chestnut	75.92	
1992	SR 168 - SR 180 to Bullard	53.20	
	SR 41 - Audubon to Madera Co. Line	18.16	
1998	SR 180 - Chestnut to Clovis	90.22	
1999	SR 180 - SR99 to Hughes/West Diag.	39.29	
	Various SHOPP/SB 300 Projects	29.69	55.15
2006	SR 180 - Clovis to Temperance	80.13	
2008	SR 180 - Temperance to Academy		47.88
2010	SR 41/180/168 Braided Ramps	55.00	
	Total	513.96	103.03

Fre-180 Expressway Current Cost Estimates

Segment 2 (Quality to Trimmer Springs)

4-Lane Expressway;

PE	4,600
ROW	14,700
Const	<u>23,600</u>
Total	\$42,900

2-Lane Expressway;

PE	4,300
ROW	14,700
Const	<u>17,200</u>
Total	\$36,200

Cost to build 2 additional lanes at a later date (non-escalated)

PE	800
ROW	0
Const	<u>15,700</u>
Total	\$16,500

Segment 3 (Trimmer Springs to Frankwood)

4-Lane Expressway;

PE	5,200
ROW	26,800
Const	<u>30,200</u>
Total	\$62,200

2-Lane Expressway;

PE	4,900
ROW	26,800
Const	<u>23,900</u>
Total	\$55,600

Cost to build 2 additional lanes at a later date (non-escalated)

PE	800
ROW	0
Const	<u>20,500</u>
Total	\$21,300