



DATE: SEPTEMBER 21, 2017

MEMO TO: TRANSPORTATION TECHNICAL ADVISORY COMMITTEE (TTAC)

FROM: PETER DE HAAN, PROGRAMMING DIRECTOR

SUBJECT: LONG-TERM SCHEDULE FOR FEDERAL SURFACE TRANSPORTATION PROGRAM (STP)
PROJECTS

RECOMMENDATION:

- Receive and file.

BACKGROUND:

Under federal law, Surface Transportation Block Grant (STBG) funds apportioned to California lapse if they are not used within three years. By state law, California distributes a part of its STBG apportionment to counties by formula under the Regional Surface Transportation Program (STP). State law also applies the three-year lapsing rule to the STP apportionments of each county.

VCTC's policy is that the Route 101 and Route 118 Freeway projects are the priority for STP funds as well as State Transportation Improvement Program (STIP) funds. The STP fund balance must therefore be carefully managed to build a large balance that can be used when needed by these projects while at the same time avoiding a lapse of funds. Fortunately, the practice of using STP funds for large projects is common throughout California and counties routinely "loan" funds to each other to accommodate the various large projects when they occur. In fact, earlier this year VCTC approved a \$6 million loan to San Joaquin County. While taking action to approve this loan TTAC requested staff to prepare a long-term schedule of STP expenditures to help plan for when lapsing funds might be an issue for Ventura County. The following table provides this analysis. The table accounts for the scheduled loan repayment from San Joaquin County, with \$3 million schedule for repayment in 17/18 and the remaining \$3 million in 18/19. These funds when repaid are "new" and therefore will lapse three years after being received.

Staff intends to inform the Commission of the need for STP loans to avoid lapsing funds in October when bringing the STIP Nomination item for approval.

STP Funds Projection Through End of 2018 STIP Period (millions of \$'s)							
	17/18	18/19	19/20	20/21	21/22	22/23	TOTAL
Annual Available funds (including carryover)	26.9	13.3	10.3	10.3	10.3	10.3	54.5
Cumulative Available funds	26.9	38.3	48.6	58.9	69.2	19.5	
Projects to Obligate							
County Pleasant Valley/ Fifth (Old Project)			1.5				
Remaining Rehab from \$6M to Local Agencies	1.9						
Route 101 PS&E					60.0		
Rice Bridge??							
Required to obligate per AB 1012	2.9	10.3	13.3	13.3	10.3	10.3	57.5
Remaining Annual Lapse per AB 2012	1.0	10.3	13.3	13.3	-	-	
Cumulative Potential Lapse	1.0	11.3	24.6	37.9	-	-	

DISCUSSION:

FY 17/18

Attachment A provides the table which TTAC reviewed at the last meeting, which shows the anticipated 17/18 schedule for obligating STP projects. However, at that meeting it was not noticed that there is a discrepancy in the table, in that the Pleasant Valley / Fifth Street project is included in the list for FY17/18 but the notes say the project will not be obligated until August 2019. In checking with Public Works Agency staff it was determined that it would be more realistic to show the project in FY19/20. That change leaves a possible lapse of \$1 million in FY17/18.

FY 18/19 – 21/22

As discussed in the STIP item on this agenda, staff is recommending that the available STIP and STP funds be prioritized for early action items to improve Route 101. That project is currently in the environmental phase which is now expected to last until 2021, meaning that no subsequent phases can be obligated until then. The analysis shows that over \$60 million in STP will be available to obligate for design work in that year, although \$36.4 million of that amount will be scheduled to lapse prior to that date. Preliminary feedback from staff of other SCAG region counties indicates that they would be very interested in possible loans from VCTC in the amounts required with full repayment in 21/22.

The Attachment A list of upcoming STP project includes beyond FY17/18 a couple of other projects from old calls for projects, but the analysis left out these projects because there is little information about when those projects might be ready. Given that the projected STP balance never is shown as falling below \$18 million, there will be sufficient funding available whenever those two projects are ready to obligate funds.

Rice Bridge Status

Although the VCTC policy is that the freeway projects have priority for STP funds, it must be recognized that the Rice Avenue Grade Separation, which is VCTC's first priority for available Trade Corridor funds, will complete environmental clearance in early 2018 and will then need PS&E funds to avoid delay. Although VCTC anticipates that Caltrans will apply for SB 1 Trade Corridor funds for this project, those funds might not be available in time for the initial PS&E costs. At present, staff believes it is prudent to not program any STP funds beyond what might be needed for the Route 101 PS&E, to use if needed to keep the Rice Bridge project on schedule and if required help leverage the SB 1 funds. Staff anticipates that at least \$1 million of STP, and possibly several million more, will likely be needed by the Rice Bridge project in FY 17/18, thus addressing the lapsing issue for that year. Unfortunately, any funds that are required in this way for the Rice Bridge will eventually reduce the funds for 101 project construction, which is expected to be constrained to the amount of available STIP and STP at the time construction begins.