

REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Conduct Public Hearing and Adopt 2006 Regional Transportation Improvement Program (RTIP)		2/28/06	6

RECOMMENDATION

It is recommended that the Agency:

1. Conduct a public hearing;
2. Adopt the 2006 Regional Transportation Improvement Program (RTIP);  
and
3. Authorize the Executive Officer to make subsequent minor changes or technical corrections in response to California Transportation Commission (CTC) review.

SUMMARY

The 2006 RTIP is the RTPA's five-year recommended budget to the state for development and delivery of major transportation projects using State Transportation Improvement Program (STIP) funds. Staff has developed the 2006 RTIP pursuant to agency consultations and guidance from the CTC. A maximum of \$15.986 million in new capacity is available. It is recommended that this capacity be used to fund escalation associated with existing STIP projects.

DISCUSSION

The Shasta County RTIP is a five-year program to fund projects through the State Transportation Improvement Program (STIP). The 2006 STIP is scheduled for adoption by the CTC on April 27, 2006.

Approval of projects in the STIP constitutes a commitment by the state to fund the listed projects. In the past four years, this commitment has become unreliable due to state borrowing of STIP resources for non-transportation purposes.

Projects, or project phases, currently programmed in the STIP are shown in the attached 2004 STIP project list. Funds in the first two fiscal years of the current program are considered obligated and do not need to be reprogrammed. Funds shown in the last three years of the current program need to be considered as part of this 2006 RTIP.

The attached January 30, 2006, letter to the CTC includes a table entitled "Draft 2006 RTIP." It summarizes current programming, available capacity, and proposed programming. Currently programmed projects, yet to be obligated, total \$23.592 million. Based on a "STIP Fund Estimate" developed by the CTC, a maximum of \$15.986 million in new capacity is available. This in addition to the existing \$23.592 million. The Fund Estimate also sets "targets" for each year and the \$15.986 million in new capacity is not available until the fifth year of the program (Fiscal Year 2010/11). The CTC targets are guidelines; however, our ability to exceed them depends on other regions in the state proposing funding below the targets.

The basic question raised in developing the 2006 RTIP was this:

- How should the Agency delay \$23.592 million in existing programmed projects, and program \$15.986 million in new capacity, while still generally meeting year-by-year funding targets set by the CTC?

In addition to meeting targets, the CTC recommends that our \$15.986 million in new capacity be limited to covering escalation for existing projects. If the CTC is required to delete projects from the STIP due to funding constraints, new projects or new project phases will be the first to go.

Five projects are proposed for funding in the 2006 RTIP as follows:

1. Dana to Downtown Construction in FY 2008/09 (\$25.404 million).
2. South Bonnyview Widening Construction in FY 06/07 (\$3.958 million).
3. Stillwater Interchange Construction in FY 07/08 (\$800,000).
4. East Redding Bike Lane Construction in FY 07/08 (\$1.730 million)
5. Planning Programming and Monitoring (PPM) (\$280,000)

The attached January 30, 2006, cover letter to the CTC contains further explanation regarding each project. The funding amounts shown above are for our region's RTIP shares only. Many projects include other fund sources not shown in the above tables. The attached Project Nomination Sheets show funding from all sources for each project.

As proposed, programming is under CTC targets in the first two years and exceeds targets beginning in the third year due to the high cost of the Dana to Downtown Project. \$5.906 million would remain unprogrammed but could be used to cover cost overruns if construction bids are higher than programmed amounts.

Given limited STIP resources and multiple project needs, several challenges arose in development of the 2006 RTIP as follows:

**Dana to Downtown:** This project has been the agency's number-one RTIP priority for the past eight years. RTPA staff has encouraged leaving construction of Dana to Downtown in FY 07/08 as currently programmed. Due to statewide priorities and constraints on state interregional funds that match our RTIP funds, construction will be delayed one additional year as shown in the attached proposal.

After five years of STIP funding delays, estimated construction costs have escalated from \$36.420 million to \$68.709 million. Project support costs -- which essentially cover all Caltrans staff time -- have increased from \$6.298 million to \$12.886 million. The attached letter from Caltrans explains the reasons for escalation of this project.

When submitted to the CTC with the attached January 30, 2006, letter, the project was combined into a single project. Since that time, it has been determined that keeping the project divided into two phases -- Phase A and Phase B -- would provide greater flexibility. The components of the two phases are outlined and illustrated in the attached information provided by Caltrans.

Proposed RTIP programming for construction of Dana to Downtown would cover \$29.007 million and state STIP funds (from the Interregional Improvement Program) would cover another \$23.265 million, leaving a \$22.900 shortfall. The \$22.900 million shortfall is essentially equal to the cost of Phase B construction.

The Governor and State Legislature are proposing various transportation bonds to be approved by the voters over the next two to three years. The Governor's current proposal earmarks the needed \$22.900 shortfall for this project. Although highly speculative at this time, the 2006 RTIP shows funding for the entire project based on passage of the Governor's Bond as it is currently proposed. If the bond money for this project does not materialize, only Phase A could be delivered at a total cost of \$51.087 million. Phase B would be deferred until sufficient programming capacity becomes available in later RTIP cycles. This would likely take five or more years.

**Stillwater/State Route 44:** As part of the new federal reauthorization, Shasta County received a \$3.2 million earmark for improvements in this corridor. This will cover a small portion of the overall need to widen State Route 44 to four lanes from Airport Road to Palo Cedro. The RTPA approved funds to complete environmental review (now complete) for this project as part of the 2002 RTIP. The estimate to complete design, right-of-way and construction for the project is estimated at \$44.038 million. The project was intended for funding with fifty-percent state interregional funds and fifty-percent regional RTIP funds. Due to state funding constraints, no interregional funding is recommended at this time to proceed beyond the environmental phase.

The federal earmark, however, could allow construction of one small but important safety component of the project: An interchange/over crossing at Stillwater Drive and State Route 44 (see attached design). Completion of this component would also require \$2.55 million in Caltrans State Highway Operation Protection Program (SHOPP) funds and \$800,000 in RTIP funds. Staff recommends this RTIP contribution since it leverages other funds in delivering a portion of the larger corridor project. If the CTC is faced with having to delete projects in the STIP, this would be the most vulnerable project in our program since it represents programming of a new project phase.

**Bonnyview Drive:** The City of Redding is developing a project to widen South Bonnyview Drive to four lanes between the Sacramento River and State Route 273. The current RTIP programs \$1.658 million for a portion of Construction in FY 2006/07. This represented the maximum programming capacity available at that time. Staff has proposed increasing programming in the 2006 RTIP to \$3.958 million. This represents the maximum capacity in FY 2006/07 given the \$4.098 CTC target for that year. There is some risk that programming any projects in the first two years of the program could result in an action by the CTC to further delay the Dana to Downtown Project. It is staff's opinion that the benefit of receiving programming funds in the first two years of the STIP outweighs

the risk of delaying Dana to Downtown from the third year to a later year. This is because funding in the first two years of the program is more certain, whereas programming beyond fiscal year 2008/09 can be further delayed by the CTC as part of the 2008 STIP. This has been the pattern for the last three STIP cycles.

**Planning, Programming and Monitoring (PPM):** The Agency is allowed to program up to \$280,000 for planning, programming and monitoring of STIP projects. Staff recommends full programming of these funds. At the request of a city or the county, these funds would be earmarked to conduct Project Study Reports. Project Study Reports are required by Caltrans prior to programming or constructing improvements on state facilities such as interchanges. Although the RTPA receives federal planning funds, they cannot be used for Project Study Reports. Use of PPM funds is a way to relieve local agencies of the cost to prepare these detailed and sometimes costly engineering reports. To date, one written request has been received by the City of Anderson to study the Riverside Avenue/Interstate 5 Interchange. The county has also expressed interest for Project Study Reports at the Cottonwood interchanges.

**Transportation Enhancements:** The Transportation Enhancement (TE) program funds non-motorized projects, such as bike lanes, through the STIP. TE projects are tracked separately in the STIP since funding for TE projects is primarily through a dedicated federal source. As a result, TE funding is much more reliable and agencies may program over annual TE funding targets. Any amount proposed, however, will count against our total regional share. The 2006 RTIP recommends two TE projects: 1) \$1.730 million in construction funding for the East Redding Bike Lane Project as a carry-over from the current program; and 2) \$1.500 million for the surfacing of bike lanes associated with Phase A of the Dana to Downtown Project.

**Redding Downtown Mall and Railroad Grade Separation:** After discussions with City of Redding staff, it was agreed that currently programmed placeholders of \$50,000 each for the Downtown Mall and Railroad Grade Separation projects should be removed. When these projects were programmed four years ago, the STIP funding picture was much brighter and it was thought that full funding would be available within five to ten years. At this time -- given existing programming commitments, cost escalation on those commitments and a severe slowdown of STIP revenue -- these projects are not within the foreseeable funding horizon. If conditions change, the project could again be considered.

Upon approval of the 2006 RTIP, staff will submit final documentation to the CTC. The CTC may further delay projects or delete projects to meet Fund Estimate targets. Staff recommends that the Agency also authorize the Executive Officer to make minor changes or technical corrections in response to CTC actions. Any changes would be reported at the next Agency meeting.

ALTERNATIVES

The Agency may adjust programming with consideration to the CTC funding targets and other CTC guidance. The current recommendation represents a consensus of staffs from the cities, county, and Caltrans.

OTHER AGENCY INVOLVEMENT

The 2006 RTIP was developed in cooperation with the cities, the county and Caltrans. The 2006 RTIP was also presented at the February 14, 2006, TAC Meeting and TAC recommends approval.

FINANCING

STIP projects are funded from state and federal sources generated by taxes levied on fuel. It is important to emphasize that approval of projects in the STIP does not guarantee funding in the specified year. Like the 2002 and 2004 STIP Fund Estimate - which proved high, resulting in significant project delays - the 2006 Fund Estimate must be based on current legislation. There are several tenuous assumptions, the most pivotal being that Proposition 42 will not be further suspended. Proposition 42 dedicated state gasoline sales tax revenue to transportation funds, rather than the state general fund. It can be suspended each year during fiscal emergencies.

Suspension of Proposition 42 is not proposed in next year's state budget and, if approved, would restore some level of stability to the STIP. Even with a permanent restoration of Proposition 42 funds, the CTC has warned that amounts shown in the Fund Estimate will likely not be fully realized. This is due to several factors including a backlog of currently delayed STIP projects, legal challenges to Indian gaming bonds, and the fact that most of the new funding projected to be available is limited for use on transit projects. Full utilization of new programming capacity in our region depends on programming an unusually high amount of transit projects in other areas of the state.

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Daniel J. Kovacich, Executive Officer

DSL/jac

Attachments: 2004 STIP Project Listing  
Letter to CTC Dated January 30, 2006  
Draft 2006 RTIP Summary  
Draft Project Nomination Sheets  
Letter from Caltrans: Explanation of Dana to Downtown  
Escalation Costs  
Dana to Downtown, Phases A and B  
Stillwater Earmark Project

State of California  
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

## Memorandum

*Flex your power!  
Be energy efficient!*

To: Dan Kovacich, Executive Director, Shasta County RTPA      Date: February 8, 2006

From: PHIL BAKER  
Project Manager  
Shasta County STIP Projects  
Caltrans District 2

Subject: Dana to Downtown and Liberty cost increases

Attached is a hard copy of the speaking points outlining the reasons for capital and support cost increases on both the Dana to Downtown and Liberty projects, along with information on how the Governor's Bond could affect these projects. As discussed, I will be available to present this information to both the Shasta County Technical Advisory Committee on February 14, 2006 and to the Shasta County Regional Transportation Planning Agency on February 28, 2006.

Should you need to discuss this information further, please do not hesitate to contact me at (530) 225-3180.

Sincerely,



Phil Baker  
Project Manager  
Shasta County STIP Projects  
Caltrans District 2

Attachment

PB/II

# Dana to Downtown and Liberty

“Key Cost Increase Components”  
and  
“Enhanced Programming Capacity via the  
Governor’s Bond”

# Dana to Downtown

## Key Cost Increase Components

# Sacramento Bridge Related

- Originally programmed at \$16M.
- Proposed programming at \$30M.
- Reasons for increase:
  - Raw material unit price escalations. \$12.75M  
Structure related unit prices escalated on average 63% in the last two years alone.
  - A polyester concrete overlay was added.  
\$1.25M

# Non-Sacramento River Bridge

- Originally programmed at \$18M.
- Proposed programming at \$27M.
- Raw material unit price escalations across all items:
  - Examples:
    - Asphalt concrete increased 55% from \$58/ton to \$90/ton.
    - Roadway base increased 20% from \$40/cubic meter to \$48/cubic meter.

# Support Related

- Support Costs: Costs incurred during the following activities: environmental coordination, design, project management, public coordination, right of way acquisition, utility coordination and construction administration.
- Originally programmed at \$6.3M.
- Proposed programming at \$12.4M.
- Reasons for increase:
  - The original support cost did not take into account the full magnitude of effort needed in the following areas:
    - environmental coordination
    - aesthetic coordination
    - construction administration
  - Additional studies needed to assess the most economical funding options: Sacramento River Bridge, aesthetics, utility conflicts.
  - Due to programming uncertainties the project started and stopped on several occasions, resulting in inefficiencies.
  - Enhanced effort to build consensus within the community.
  - Escalated labor and benefit costs.

# Other Factors

- Additional sidewalk work on the south side of Butte St. \$500K
- Additional aesthetic features beyond budget. \$400K.

# If the Governor's Bond Passes...

The Dana to Downtown project will be advertised and constructed as one project, with the following major scope of work items. Construction will commence on this project in the 8/9 fiscal year.

- Construct Dana ramp connector to WB 44
- Replace the Sacramento River Bridge
- Construct pedestrian and bike pathway from Hilltop to Park Marina
- Construct WB and EB auxiliary lanes on 44 from Park Marina to I-5
- Construct Auditorium Drive OC and WB off-ramp improvements
- Construct EB auxiliary lane on 44 from Liberty to Park Marina

# If the Governor's Bond Does Not Pass...

The Dana to Downtown project will be advertised and constructed as two separate projects as follows:

Phase A: Construction is scheduled to start in the 8/9 FY

- Construct Dana ramp connector to WB 44
- Replace the Sacramento River Bridge
- Construct pedestrian and bike pathway from Hilltop to Park Marina
- Construct WB auxiliary lane on 44 from Park Marina to I-5

Phase B: Start of construction is undetermined due to programming uncertainties

- Construct Auditorium Drive OC and WB off-ramp improvements
- Construct EB auxiliary lane on 44 from Liberty to Park Marina
- Construct EB auxiliary lane on 44 from Park Marina to I-5