

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 21-22, 2003

Reference No.: 2.1b.(29)
Information Item

From: ROBERT L. GARCIA
Chief Financial Officer

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Transportation Programming

Ref: **STIP AMENDMENT 02S-092**

The Riverside County Transportation Commission (RCTC) and the Department of Transportation (Department) are requesting that this proposed State Transportation Improvement Program (STIP) amendment be noticed at the May 2003 California Transportation Commission (Commission) meeting, and be considered for approval in June. This notice is an informational item allowing the Commission to review the proposal, comment and/or ask questions prior to taking formal action in June 2003 or later.

RCTC and the Department proposes that the Commission select the Route 60/91/215 Interchange project (PPNO 121D) in Riverside County for Grant Anticipation Revenue Vehicle (GARVEE) funding to advance project delivery. This project is programmed in the 2002 STIP with \$251,264,000 (\$200,926,000 Construction Capital; and \$50,338,000 Right of Way Capital) of Grandfathered Regional Improvement Program (GF-RIP), Regional Improvement Program (RIP) and Interregional Improvement Program (IIP) funds. The project also includes Local Federal Congestion Mitigation and Air Quality (CMAQ) funds of \$7,000,000, Traffic Congestion Relief Program (TCRP) funds of \$17,000,000, and local Federal Surface Transportation Program (STP) funds of \$13,327,000. The Department will be requesting a partial allocation of \$35,000,000 in FY 2003-04 RIP and IIP funds at the June 2003 Commission meeting for a portion of project construction which must begin no later than January 2004. If the proposal to use GARVEE funding and the partial allocation are approved, the remaining construction and right of way funds will be reprogrammed as a GARVEE debt service project.

RECOMMENDATION:

The Department of Transportation (Department) recommends that the amendment be considered at the June 2003 Commission meeting. A key issue concerning the level of cash needed for this project in FY 2003-04 must be resolved before the Department can recommend approval.

BACKGROUND:

This request follows Chapter 862 of the Statutes of 1999 (SB 928) which authorizes the State Treasurer to issue GARVEE bonds and authorizes the Commission to select projects for accelerated construction from bond proceeds.

GARVEEs are tax-exempt debt instrument financing mechanisms backed by annual Federal appropriations for Federal Aid transportation projects. They were authorized in Federal law by Section 311 of the National Highway System Designation Act of 1995. GARVEE proceeds can be used for the costs of right of way and/or construction of highway or other transportation projects that are eligible under Title 23 of the United States Code, that meet all federal requirements. Repayment of debt service is subject to the constraints of Article XIX of the State Constitution. For STIP projects, the repayment will be charged to the county and/or interregional share from future STIP funds. Bond repayments are typically made over several STIP programming cycles.

This amendment proposes the sale of GARVEE bonds with the proceeds of \$237,900,000 (including cost of issuance) to be used for Right of Way and Construction Capital on the Route 60/91/215 Interchange Design Sequencing Project. Including financing, the total cost will be approximately \$298,718,000 based on anticipated interest rate of 4.25%. To minimize financing charges, two bonds, \$137,900,000 and \$100,000,000 would be sold in January 2004 and January 2006 respectively. Debt service is proposed to start with payments (principals and interests) of \$17,400,000 in FY 2004-05 and FY 2005-06, follow with payment of \$29,900,000 in FY 2006-07 through FY 2013-14, and end with payments of \$12,500,000 in fiscal years 2014-15 and 2015-16. The Department and RCTC agree that debt service for the GARVEE bond will be paid with future year STIP allocations using proportional shares equal to the IIP and RIP investment on the project. A summary of the project financing is shown in Attachment A "Summary of Funding Sources and Federal Matching Expenditures".

In addition to requesting approval to use GARVEE bond funds, this amendment also proposes that \$35,000,000 of state-only funds be allocated in FY 2003-2004 to keep the project on schedule. Approximately \$41,400,000 of state funds will be needed on the project to match the federal funds used to service the bond debt and to match other programmed local CMAQ and RSTP. As noted above, state funds cannot be used to service debt and so must be expended within the normal project construction timeframe. The difference (approximately \$6,400,000) of matching state funds will be funded within the Construction Support component.

The Route 60/91/215 Interchange project was approved as one of the "Design Sequencing" pilot projects to expedite overall project delivery and to simplify traffic handling during construction. The first contract on the Route 215 Corridor (PPNO 0121L) was awarded November 2002 to widen three existing over-crossings, construct a new bridge, 15 retaining walls and one ramp approach. A substantial lag between completion of the initial project and the commencement of the Route 60/91/215 Interchange project would require remedial action to ensure safety and operational integrity of the freeway facilities, such as backfilling behind retaining walls, paving roadway surfaces, replacing temporary drainage facilities and railings.

The Route 60/91/215 Interchange Design Sequencing Project includes reconstruction of the Canyon Crest Drive (a main entrance to UCR Campus), widening of the undercrossing, and realignment of a frontage road inside the UC campus. The Department has an executed Right of Entry Agreement (April 24, 2003) with the University of California at Riverside (UCR), to provide access to UCR properties between June 18, 2004 and September 1, 2004. Reconstruction of the Canyon Crest Drive and widening of the undercrossing are on the critical path and are in the first stage of construction. Failure to complete this work within the time window will delay the project by one year.

Additionally, offers have been made to 149 business and residential property owners to acquire Right of Way for the project. If funds were not provided to complete the acquisition process, business and residential property owners may file reverse condemnation cases against the Department for additional compensations and damages due to project delay.

RESOLUTION:

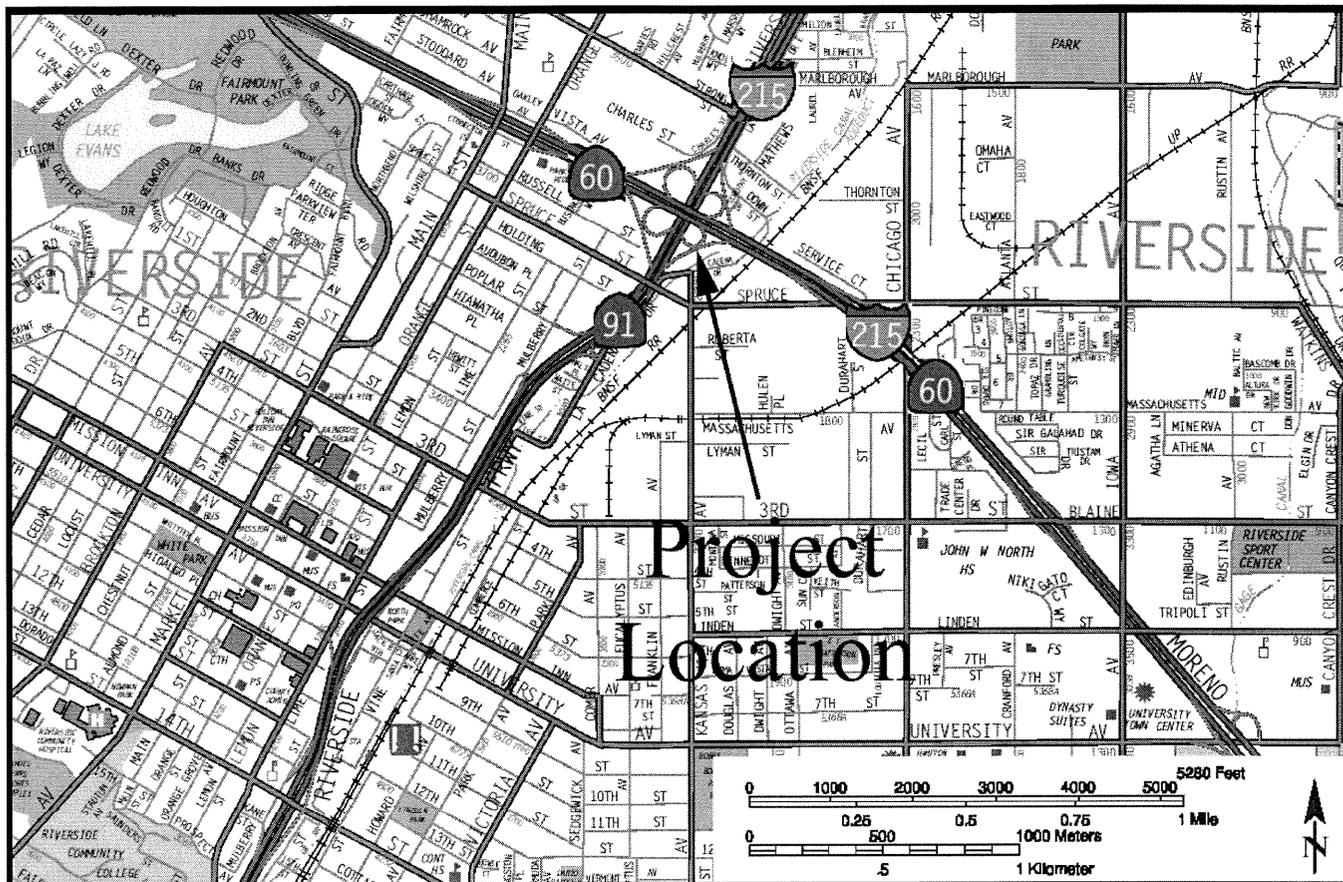
Resolved, that the California Transportation Commission (Commission) revise the 2002 State Transportation Improvement Program (STIP) at the end of the 30-day notice period as follows:

Revises:

| County | CT District | PPNO | EA | Element | Const. Year | PM Back | PM Ahead | Route/Corridor | | | | |
|---|--|-------------------------------|----------|-------------|-------------|-----------|-----------|-----------------------------|------------------|------------|------------|------------|
| Riverside | 08 | 0121D | 3348U1 | CO | 2003-04 | 40.1 | 43.3 | 215 | | | | |
| Implementing Agency: | | PA&ED | Caltrans | | AB 3090 | PS&E | Caltrans | AB 3090 | | | | |
| (by component) | | R/W | Caltrans | | AB 3090 | CON | Caltrans | AB 3090 | | | | |
| RTPA/CTC : | Southern California Association of Governments | | | | | | | | | | | |
| Project Title: | Route 215 Corridor – HOV, Truck Climbing Lane –El Cerrito Drive to Jct 60/91/215 Interchange | | | | | | | | | | | |
| Location: | Riverside County –El Cerrito Drive to Junction 60/91/215 Interchange | | | | | | | | | | | |
| Description: | Construct Interchange, add 2 HOV lanes and Truck Climbing Lane (southbound) | | | | | | | | | | | |
| (DOLLARS IN THOUSANDS) | | | | | | | | | | | | |
| FUND | TOTAL | Project Totals by Fiscal Year | | | | | | Project Totals by Component | | | | |
| | | Prior | 02/03 | 03/04 | 04/05 | 05/06 | Future | PA&ED (E & P) | PS&E (Design) | R/W SUP | CON SUP | R/W |
| STIP Programming – GRIP (Grandfathered RIP) | | | | | | | | | | | | |
| Existing | \$136,922 | \$50,697 | | \$86,225 | | | | \$14,148 | \$12,152 | \$18,913 | \$24,397 | \$67,312 |
| Change | (\$91,709) | (\$24,397) | | (\$67,312) | | | | \$0 | \$0 | \$0 | (\$24,397) | (\$67,312) |
| Proposed | \$45,213 | \$26,300 | | \$18,913 | | | | \$14,148 | \$12,152 | \$18,913 | \$0 | \$0 |
| STIP Programming – RIP | | | | | | | | | | | | |
| Existing | \$132,939 | \$23,212 | | \$100,656 | | \$9,071 | | \$6,685 | \$1,997 | \$6,480 | \$25,941 | \$91,836 |
| Change | (\$88,077) | (\$15,615) | | (\$64,642) | | (\$7,820) | | \$0 | \$0 | \$0 | (\$25,941) | (\$62,136) |
| Proposed | \$44,862 | \$7,597 | | \$36,014 | | \$1,251 | | \$6,685 | \$1,997 | \$6,480 | \$0 | \$29,700 |
| STIP Programming – IIP | | | | | | | | | | | | |
| Existing | \$48,814 | \$2,101 | | \$46,713 | | | | \$2,101 | | \$4,935 | | \$41,778 |
| Change | (\$36,478) | | | (\$36,478) | | | | \$0 | | \$0 | | (\$36,478) |
| Proposed | \$12,336 | \$2,101 | | \$10,235 | | | | \$2,101 | | \$4,935 | | \$5,300 |
| STIP Programming – IIP, RIP and GRIP (GARVEE Debt Service) | | | | | | | | | | | | |
| Existing | \$0 | | | \$0 | \$0 | \$0 | | | | | | \$0 |
| Change | \$299,000 | | | \$17,400 | \$17,400 | \$264,200 | | | | | | \$299,000 |
| Proposed | \$299,000 | | | \$17,400 | \$17,400 | \$264,200 | | | | | | \$299,000 |
| Local FHWA - Congestion Mitigation and Air Quality (CMAQ) | | | | | | | | | | | | |
| Existing | \$7,000 | | | \$7,000 | | | | | | | | \$7,000 |
| Change | \$0 | | | \$0 | | | | | | | | \$0 |
| Proposed | \$7,000 | | | \$7,000 | | | | | | | | \$7,000 |
| Local FHWA – Surface Transportation Program (STP) | | | | | | | | | | | | |
| Existing | \$13,327 | | | \$13,327 | | | | | | | | \$13,327 |
| Change | \$0 | | | \$0 | | | | | | | | \$0 |
| Proposed | \$13,327 | | | \$13,327 | | | | | | | | \$13,327 |
| Transportation Congestion Relief Program (TCRP) | | | | | | | | | | | | |
| Existing | \$17,000 | | | \$17,000 | | | | | | | | \$17,000 |
| Change | \$0 | | | \$0 | | | | | | | | \$0 |
| Proposed | \$17,000 | | | \$17,000 | | | | | | | | \$17,000 |
| TOTAL | | | | | | | | | | | | |
| Existing | \$356,002 | \$76,010 | | \$270,921 | \$0 | \$0 | \$9,071 | \$22,934 | \$14,149 | \$30,328 | \$50,338 | \$238,253 |
| Change | \$82,736 | (\$40,012) | | (\$168,432) | \$17,400 | \$17,400 | \$256,380 | \$0 | \$0 | \$0 | (\$50,338) | \$133,074 |
| Proposed | \$438,738 | \$35,998 | | \$102,489 | \$17,400 | \$17,400 | \$265,451 | \$22,934 | \$14,149 | \$30,328 | \$0 | \$371,327 |

STIP AMENDMENT 02S-092

Location Map



08-Riverside

PPNO 0121D

Location: Riverside County –El Cerrito Drive to Junction 60/91/215 Interchange

Description: Construct Interchange, add 2 HOV lanes and Truck Climbing Lane (southbound)

ATTACHMENT



STIP AMENDMENT 02S-092
SUMMARY OF FUNDING SOURCES AND FEDERAL MATCHING EXPENDITURES
FOR PROJECTS PROPOSED FOR GARVEE FINANCING
Riv-215 Corridor Project

Funding and Cost Summary

| Project | PPNO | Principal Amount of GARVEE | Costs of Issuance | Interest Cost at 4.25% | Total Est'd. GARVEE Financing | CMAQ (Federal) | RSTP (Federal) | Total Federal Funds | State Funds | Total Matching Funds | Total Project Cost incl. Financing |
|---------|------|----------------------------|---------------------|------------------------|-------------------------------|---------------------|----------------------|-----------------------|----------------------|----------------------|------------------------------------|
| Riv-215 | 121D | 237,822,000 | 1,478,000 | 59,419,000 | \$ 298,719,000 | 7,000,000 | 13,327,000 | \$ 319,046,000 | 35,000,000 | \$ 35,000,000 | \$ 354,046,000 |
| | | \$ 237,822,000 | \$ 1,478,000 | \$ 59,419,000 | \$ 298,719,000 | \$ 7,000,000 | \$ 13,327,000 | \$ 319,046,000 | \$ 35,000,000 | \$ 35,000,000 | \$ 354,046,000 |

Federal Matching Expenditure Detail

| Project | PPNO | Total Federal Funds | Total Matching Funds | Federal Matching Requirement | Surplus Matching Requirement |
|---------|------|-----------------------|----------------------|------------------------------|------------------------------|
| Riv-215 | 121D | \$ 319,046,000 | 35,000,000 | 41,335,791 | (6,335,791) |
| | | \$ 319,046,000 | \$ 35,000,000 | \$ 41,335,791 | \$ (6,335,791) |