

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting : October 29-30, 2003

Reference No.: 3.4  
Action Item

From: ROBERT L. GARCIA  
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Ref: **SHOPP AMENDMENT TO USE GARVEE BONDS FOR ONE PROJECT**  
**SHOPP AMENDMENT 02H-128**

In each even numbered year, the Department of Transportation (Department) prepares a four year State Highway Operation and Protection Program (SHOPP) defining major capital improvements necessary to preserve and protect the state highway system. Periodically, the Department amends the SHOPP to address newly identified needs prior to the next programming cycle.

The State Treasurer is authorized, under Chapter 862 of the Statutes of 1999 (SB 928), to issue Grant Anticipation Revenue Vehicle (GARVEE) bonds for construction of projects subject to approval by the California Transportation Commission (Commission).

The Department requests that the Commission approve SHOPP Amendment 02H-128, authorizing the use of GARVEE bonds for the project below.

Project Summary

SHOPP Amendment No.	Dist-Co-Rte PM	Project Location	Payback Cost (\$1,000)	Payback FYs	Support Cost including Match (\$1,000)	Project Code
PPNO	EA	Description of Work				Performance Measure
02H-128	03-Pla-80 14.3/33.3	In and near Auburn - Route 193 to Auburn Ravine and 0.5 miles west of Auburn Ravine to Route 174 - roadway and bridge rehabilitation	\$12,424(C) per fiscal year	2004/05 thru 2008/09	\$8,300 (Includes \$5,240 required state match)	201.120
1517	0A6000					87 Lane Miles

**BACKGROUND**

Government Code 14553.(a) allows the California Transportation Commission (Commission) to approve Grant Anticipation Revenue Vehicle (GARVEE) Bonds for projects. This amendment reprograms, subject to Commission approval, a high priority roadway and bridge rehabilitation project to use GARVEE bonds. The project is located on Route 80 in Placer County (PPNO: 03-1517) and is currently programmed in the SHOPP for \$56,000,000 for construction capital. The request is to use GARVEE bond funding for the entire \$56,000,000.

GARVEE bonds are tax-exempt and are 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 bond 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.

SHOPP funds will be used to repay the GARVEE bonds. State support costs will be used to meet the non-Federal match requirement. The bonds will be repaid over five fiscal years (FY), 2004-05 through 2008-09. Based on the current interest rate (3%), a 1.5% administrative fee to sell the bonds, and a five year payback period, \$12,424,000 per fiscal year will be programmed in the SHOPP in FYs 2004-05 through 2008-09.