

**California Transportation Commission**  
**November 24, 2003**  
**Item #3**

**Draft Policy on GARVEE Bonding**

- Project Selection. The California Transportation Commission will select projects for accelerated construction through the use of Grant Anticipation (GARVEE) bonding. The selection will be made through the programming process for the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP). The Commission will select projects that are major improvements to corridors and gateways for interregional travel and goods movement. Major improvements may include projects that increase capacity, reduce travel times, or provide long-life rehabilitation of key bridges or roadways.
- Debt limit. The Commission will limit annual GARVEE debt service to 15 percent of qualifying Federal revenues. This limit will be calculated on the basis described in Section 14553.4 of the Government Code (i.e., 15 percent of the total amount of Federal transportation funds deposited in the State Highway Account for any consecutive 12 month period within the preceding 24 months).