

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 12-13, 2004

Reference No.: 4.3b.(2)
Information Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Ross Chittenden
Program Manager
Traffic Congestion Relief Program

Ref: **PENDING TRAFFIC CONGESTION RELIEF (TCR) PROGRAM LETTER OF NO PREJUDICE APPROVALS**

BACKGROUND:

Government Code Section 14556.33, established by Chapter 908 (AB1335) of the Statutes of 2001, allows an applicant agency, that is either a regional or local entity, to seek approval of an AB 1335 Letter of No Prejudice (Letter). If approved by the California Transportation Commission (Commission), the Letter allows the applicant agency to expend its own funds for any component of the transportation project, and seek allocation and reimbursement from the Traffic Congestion Relief (TCR) Fund in future years. On August 14, 2003, the Commission approved Resolution G-03-12 adopting the Guidelines for Letter of No Prejudice, Traffic Congestion Relief Program (Guidelines).

The adopted Fiscal Year (FY) 2003-04 budget provided \$189,000,000 in new revenue to be added with existing funds for TCR projects. As reported at the special meeting of the Commission on November 24, 2003, the cash-flow forecast based on the October 2003 TCR Progress Report indicates that implementing agency expenditures would leave a balance of \$74,000,000 at the end of FY 2003-04. Due to the uncertainty of TCR funding for FY 2004-05, the California Department of Transportation (Department) recommended that the Commission refrain from making new allocations of TCR funds.

On January 10, 2004, the Administration released its budget proposals for FY 2004-05. The proposals include the transfer of \$189,000,000 from the TCR Fund to the General Fund, the elimination of TCR project definitions from statutes, and the rescission of all allocations and approvals for AB 1335 TCRP Letter of No Prejudice.

To date, the Legislature has not taken action to approve these proposals. However, the deficit in the State's General Fund continues to impact the TCR Program. The following list identifies seven Letter requests totaling \$569,325,000 deferred by the Commission until such time future funding for the TCR Program can be assessed. There have been no changes made since the April 2004 Commission meeting:

- Project #1.1 – \$10,000,000 for Phase 3, for BART to San Jose; extend BART from Fremont to Downtown San Jose in Santa Clara and Alameda Counties – Extension from Fremont to Warm Springs.
Applicant Agency: Santa Clara Valley Transportation Authority (VTA)
- Project #1.2 – \$214,409,000 for Phases 2 and 3, for BART to San Jose; extend BART from Fremont to Downtown San Jose in Santa Clara and Alameda Counties – Extension from Warm Springs to downtown San Jose.
Applicant Agency: VTA
- Project #2 – \$35,000,000 for Phase 3, for Fremont-South Bay Commuter Rail; acquire rail line and start commuter rail service between Fremont and San Jose in Santa Clara/Alameda Counties.
Applicant Agency: VTA
- Project #36 – \$182,900,000 for Phase 4, for Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County.
Applicant Agency: Los Angeles County Metropolitan Transportation Authority
- Project #44 – \$2,726,000 for Phase 4, Route 47 (Terminal Island Freeway); construct interchange at Ocean Boulevard Overpass in the City of Long Beach in Los Angeles County.
Applicant Agency: Port of Long Beach
- Project #70.2 – \$123,700,000 for Phases 2 and 4, for Route 22; add HOV lanes on Garden Grove Freeway, Route I-405 to Route 55 in Orange County.
Applicant Agency: Orange County Transportation Authority
- Project #123 – \$590,000 for Phase 4 for Oceanside Transit Center; parking structure.
Applicant Agency: City of Oceanside
(The Letter request meets all conditions of the Guidelines except a pending STIP allocation or a STIP AB 3090 request)