

Memorandum

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 11, 2013

Reference No.: 4.13
Action Item

From: NORMA ORTEGA
Chief Financial Officer

Prepared by: Steven Keck
Division Chief
Budgets

Subject: **PROPOSITION 1B BOND PROGRAM REIMBURSEMENT**
RESOLUTION G-13-01
RESOLUTION FS-12-01

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) allow for the repayment of \$300,324,000 of State Proposition 1B bond funds to the State Highway Account (SHA) as reimbursement for the advancement of American Recovery and Reinvestment Act of 2009 (Recovery Act) funds toward six bond funded projects. Pursuant to Assembly Bill X3-20 (AB X3-20), the Recovery Act funds were advanced to six Proposition 1B bond funded projects and are to be paid back to the SHA.

BACKGROUND

On December 17, 2008, the awards of Proposition 1B-funded projects were put on hold due to the inability of the State Treasurer's Office (STO) to sell General Obligation (GO) bonds.

On March 27, 2009, AB X3-20 provided \$935 million in Recovery Act funds to the Department for State Highway Operation and Protection Program (SHOPP) projects. In addition, ABX3-20 also established a process whereby the Department could loan up to \$310 million from SHOPP Recovery Act funds to Proposition 1B funded projects that had been stalled due to the State's inability to issue GO bonds.

In April 2009, the Commission approved the loan of \$310 million in Recovery Act funds to high priority Proposition 1B bond projects pursuant to AB X3-20. The pay back would be for the following projects in the table on the next page:

| Allocation Date | Resolution | Prop 1B Fund Type | Project | PPNO | Revised Allocation |
|-----------------|------------------|-------------------|--|----------|-----------------------------|
| April 2012 | CMIA-A-1112-035 | CMIA | Caldecott Tunnel Fourth Bore (Segment 1) | 04-0057A | \$73,439,000 |
| January 2012 | CMIA-AA-1112-014 | CMIA | I-215 North Segments 1 & 2 HOV and Mixed Lane Addition | 08-0247P | \$49,120,000 |
| January 2012 | CMIA-AA-1112-015 | CMIA | La Barr Meadows in Nevada County | 03-4107 | \$2,000,000 |
| January 2012 | CMIA-AA-1112-016 | CMIA | Route 405 Northbound HOV Lane | 07-0851G | \$89,900,000 |
| January 2012 | R99-AA-1112-02 | R99 | Sutter 99 Segment 2 | 03-8361B | \$19,061,000 |
| February 2012 | TCIF-AA-1112-03 | TCIF | San Diego Route 905 | 11-0703 | \$66,804,000 |
| | | | | | <u>\$300,324,000</u> |

The agreement required repayment toward SHOPP projects by future Proposition 1B bond sales to the SHA.

Subsequent award savings and adjustments have lowered the original advancement to \$300,324,000.

In order to preserve the cash balance of the SHA and to ensure the funding of ongoing projects, the Department is requesting an allocation from the following Proposition 1B Bond Programs as reimbursement for the aforementioned projects: State Route 99 (SR99), Traffic Congestion Improvement Funds (TCIF) and Corridor Mobility Improvement Account (CMIA).

RESOLUTION:

Be it resolved that \$300,324,000 of CMIA, SR99 and TCIF funds reimburse the State Highway Account for six Proposition 1B projects advanced with Recovery Act funds pursuant to Government Code 8879.77.