M e m o r a n d u m

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 23, 2012

Reference No.: 4.5
Action

From: BIMLA G. RHINEHART
Executive Director

Subject: **AMENDMENT TO THE CORRIDOR MOBILITY IMPROVEMENT ACCOUNT PROGRAM RESOLUTION CMIA-P-1112-17**

ISSUE:
Should the Commission approve the proposed amendment to the Corridor Mobility Improvement Account (CMIA) Program?

RECOMMENDATION:
Commission staff recommends that the Commission approve the proposed amendment to the CMIA Program as attached to this memorandum.

BACKGROUND:
The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 was approved by the voters as Proposition 1B on November 7, 2006. Proposition 1B authorized $4.5 billion in general obligation bond proceeds to be deposited in the CMIA. Funds in the CMIA are available for performance improvements on the state highway system, or major access routes to the state highway system on the local road system, that relieve congestion by expanding capacity, enhance operations, or otherwise improve travel times within these high-congestion travel corridors. Inclusion of a project in the CMIA program was conditioned on the commencement of construction no later than December 31, 2012.

At the time of adoption of the original CMIA program in February 2007, the Commission programmed 54 projects for $4.5 billion, leveraging another $4.6 billion in additional federal, state and local funds. Since, the Commission has allocated over $2.5 billion to CMIA construction-ready projects, while the remainder is expected to be allocated by June 30, 2012. As the Commission has focused on assuring the delivery of the CMIA program within the statutory deadline, the Commission has also worked with sponsoring agencies to recapture any cost savings at construction contract award. These contract award savings were proportioned among the mix of project funding sources, and resulting CMIA dollars were recycled to program additional CMIA projects. Through the end of 2011, the Commission had committed $600 million of CMIA savings to 27 additional projects, leveraging an addition $900 million in other federal, state and local funds. What started as a program of 54 projects valued at $9.1 billion in total project cost is now a program of 81 projects valued at $10.6 billion in total project cost, generating over 190,000 jobs and responding to the wish of the voters by furthering the performance improvements to our transportation system.

As the remaining CMIA projects are awarded, project cost savings continue to accumulate. Since the last round of CMIA project award savings reprogramming in June 2011, approximately $300 million in additional savings capacity has accrued and is available for programming and allocation by June 30, 2012.

In order to maximize the use of the CMIA funding and the resulting transportation benefits, at the April 25, 2012 meeting the Commission adopted Resolution CMIA-P-1112-16, which details a "Ready to Allocate" policy for the programming and allocation of accrued CMIA project award savings. Under this strategy, the Commission will consider programming and allocating CMIA award savings to only those projects that are Ready to List, consistent with the Department of Transportation's established criteria, that are eligible for allocation by June 30, 2012, and that can commence construction by the statutory deadline of December 31, 2012. Proposed projects must be consistent with existing Commission policies and guidelines related to the CMIA program. Eligible projects will include projects proposed but not funded in the original CMIA Program and enhancements to existing CMIA projects. The Commission will also consider eligible projects to include advancements, that is, projects that are Ready to List by June 30, 2012, but cannot advance to construction due to the lack of funding availability in the current year. Proposed projects will be evaluated and prioritized by Commission and Department staff to confirm CMIA eligibility, Ready to List status, Ready to Allocate by June 30, 2012, and ability to commence construction by December 31, 2012. Projects which meet these criteria will be included on the Agenda for Commission consideration.

Commission staff recommends that the Commission require that implementing agencies to advertise the projects for construction within 30 days of receiving an allocation from the Commission and to report to the Commission the contract award amount and the amount of CMIA savings within 15 days of bid opening.

Commission and Department staff reviewed proposed projects in accordance with the "Ready to Allocate" policy and recommend the projects for programming listed on Schedule 1.

California Transportation Commission
Adoption of the Amended Program of Projects for the
Corridor Mobility Improvement Account (CMIA)
May 23, 2012

Resolution CMIA-P-1112-17

1.1 WHEREAS the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 was approved by voters as Proposition 1B on November 7, 2006, and

1.2 WHEREAS the Bond Act includes a program of funding from $4.5 billion to be deposited in the Corridor Mobility Improvement Account (CMIA), and

1.3 WHEREAS the funds in the CMIA are to be available to the California Transportation Commission (Commission), upon appropriation in the annual Budget Act by the Legislature, for allocation for performance improvements on the state highway system or major access routes to the state highway system, and

1.4 WHEREAS the Commission adopted the initial CMIA program of projects on February 28, 2007, and

1.5 WHEREAS the projects awarded for construction since the initial adoption of the CMIA program have accrued substantial award savings, and

1.6 WHEREAS the Commission adopted Resolution CMIA-P-1112-16 on April 25, 2012 to address these award savings, and

1.7 WHEREAS Resolution CMIA-P-1112-16 details a "Ready to Allocate" policy which reflects the Commission's intent to program only those projects that are Ready to List, consistent with the Department of Transportation's established criteria, that are eligible for allocation by June 30, 2012, and that can commence construction by the statutory deadline of December 31, 2012,

1.8 WHEREAS Resolution CMIA-P-1112-16 requires that proposed projects be consistent with existing Commission policies and guidelines related to the CMIA Program, and

1.9 WHEREAS Resolution CMIA –P-1112-16 reflects the Commission's intent to program project award savings to projects proposed but not funded in the original CMIA Program, enhancements to existing CMIA projects, and/or advancements, that is, projects that are Ready to List by June 30, 2012 but cannot advance to construction due to the lack of funding availability in the current year, and

1.10 WHEREAS the Commission and Department of Transportation staff have reviewed the proposed projects in accordance with Resolution CMIA-P-1112-16 and recommend the projects presented in Schedule 1, and

2.1 NOW THEREFORE BE IT RESOLVED THAT the Commission hereby adopts the amended CMIA program of projects for CMIA funding as presented by Commission staff, and

2.2 BE IT FURTHER RESOLVED THAT, the Commission's approval of project funding is only for the cost of construction, and

2.3 BE IT FURTHER RESOLVED THAT the Commission finds that the inclusion of each of the projects in the amended program is based on a demonstration that the project meets all of the following criteria:

a. Is a high-priority project in the corridor as demonstrated by its nomination by regional agency and its recommendation by the Department of Transportation;
b. Can commence construction or implementation no later than December 31, 2012;
c. Improves mobility in a high-congestion corridor by improving travel times or reducing delay, improves the connectivity of the state highway system between rural, suburban, and urban areas, or improves the operation or safety of a highway segment;
d. Improves access to jobs, housing, markets, and commerce;

2.4 BE IT FURTHER RESOLVED THAT the Commission finds that the adopted amended program is (a) geographically balanced, consistent with the 40% north/60% south split of Streets and Highways Code Section 188, (b) provides mobility improvements in highly traveled or highly congested corridors in all regions of California, and (c) targets bond proceeds in a manner that provides the increment of funding necessary to provide the mobility benefit in the earliest possible timeframe, and

2.5 BE IT FURTHER RESOLVED THAT the Commission directs the implementing agency to submit an executed project baseline agreement, which sets forth the project scope, benefits, delivery schedule, and the project budget and funding plan as a basis for project delivery monitoring, and

2.6 BE IT FURTHER RESOLVED THAT the Commission will not consider approval of a project allocation prior to the execution of a project baseline agreement, and

2.7 BE IT FURTHER RESOLVED THAT the Commission finds that any increases in cost estimates from CMIA amended program adoption to finalized cost estimates are the responsibility of the nominating agencies, and

2.8 BE IT FURTHER RESOLVED THAT the Commission requires the implementing agency to advertise the project for construction within 30 days of receiving an allocation from the Commission, and

2.9 BE IT FURTHER RESOLVED THAT the Commission requires the implementing agency to report to the Commission the contract award amount and the amount of CMIA savings within 15 days of bid opening, and

2.10 BE IT FURTHER RESOLVED THAT the Commission requires the implementing agencies and the Department of Transportation to meet the requirements of Government Code Section 8879.23(c)(1), as added by Proposition 1B, and to Government Code Section 8879.50, as enacted through implementing legislation in 2007 (Senate Bill 88 and Assembly Bill 193), and

2.11 BE IT FURTHER RESOLVED THAT the Commission requires the implementing agencies and the Department of Transportation to adhere to the California Transportation Commission's CMIA Guidelines and Accountability Implementation Plan.

Schedule I
CMIA SAVINGS
Programming Recommendations
May 2012
(Dollars in Millions)

RECOMMENDATIONS FOR NORTHERN CALIFORNIA SAVINGS - PROJECTS READY TO ALLOCATE MAY 2012

Dist	Cnty	Route	Project Description	Total Project Cost	Total Construction Cost	CMIA Request	CMIA Recommended
3	ED	50	US 50 HOV Lanes Phase 0	$19.2	$17.2	$15.5	$15.5
3	ED	50	Western Placerville Interchanges Phase 1A	$8.5	$5.3	$5.3	$5.3
Total Recommended for Programming, Northern California							**$20.8**

RECOMMENDATIONS FOR SOUTHERN CALIFORNIA SAVINGS - PROJECTS READY TO ALLOCATE MAY 2012

Dist	Cnty	Route	Project Description	Total Project Cost	Total Construction Cost	CMIA Request	CMIA Recommended
8	SB	15	I-15 Ranchero Road	$64.3	$44.2	$21.1	$21.1
8	RIV	215	I-215 Widening/Scott Road to Nuevo Road	$145.0	$120.0	$57.4	$57.4
Total Recommended for Programming, Southern California							**$78.5**