Memorandum

TAB 21

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 18-19, 2016

PASSED BY
Reference No.: 4.15
CTC ction
MAY 18 2016
CALIFORNIA
TRANSPORTATION COMMISSION

Susan Bransen

From: SUSAN BRANSEN
Executive Director

Subject: **ADOPTION OF 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) RESOLUTION G-16-19**

ISSUE:

Under state law, the Commission adopts the biennial five-year State Transportation Improvement Program. Under law, the Commission may allocate STIP funds only in accordance with the adopted STIP. When the Commission adopted the amended fund estimate for the 2016 STIP on January 21, 2016, it scheduled the STIP adoption for May 18-19, 2016. State law requires that, at least 20 days prior to the adoption of the STIP, the Executive Director make available the Staff Recommendations for program adoption. The 2016 STIP will cover the five-year period from fiscal year 2016-17 through fiscal year 2020-21.

RECOMMENDATION:

Commission staff recommends that the Commission adopt the 2016 STIP in accordance with the Staff Recommendations made available to the Commission, the Department, and regional agencies on April 22, 2016. Staff recommends that the Commission adopt the STIP consistent with the attached adoption resolution, G-16-19, noting any specific changes, corrections, or exceptions to the April 22, 2016 Staff Recommendations.

BACKGROUND:

As background, the Staff Recommendations text and summary table are provided as Attachment II. The spreadsheet tables and descriptions that comprise the remainder of the Staff Recommendations are available at http://www.catc.ca.gov/. The Commission staff has made the full Staff Recommendations available by e-mail to Commissioners, the Department, and regional agencies, and has posted all information since April 22, 2016 on the Commission's website. The staff has also provided each Commissioner with a hard copy.

Commission staff will present the 2016 STIP Staff Recommendations for review and discussion at the May 18-19, 2016 Commission meeting. Adoption of the 2016 STIP is scheduled following the review and discussion at the May 18-19, 2016 Commission meeting.

Attachments

May 18-19, 2016

CALIFORNIA TRANSPORTATION COMMISSION
Adoption of 2016 State Transportation Improvement Program

Resolution No. G-16-19

1.1 WHEREAS Government Code Section 14529 requires the California Transportation Commission (Commission) biennially to adopt and submit to the Legislature and Governor a State Transportation Improvement Program (STIP), and

1.2 WHEREAS, pursuant to Section 14529, the 2016 STIP is a five-year STIP, adding two new program years, fiscal years 2019-20, and 2020-21, and

1.3 WHEREAS, pursuant to Section 14525, the Commission adopted the 2016 STIP Fund Estimate on August 27, 2015, with an amendment adopted on January 21, 2016, and

1.4 WHEREAS, pursuant to Section 14530.1, the Commission adopted amendments to the STIP guidelines, to be applicable to the 2016 STIP development process, on August 27, 2015, with an amendment adopted on January 21, 2016, and

1.5 WHEREAS the 2016 amended STIP fund estimate provided no new STIP programming capacity but rather a capacity of minus $754 million, and

1.6 WHEREAS the negative capacity includes minus $587 million from the State Highway Account, and minus $166 million capacity from the Public Transportation Account, and

1.7 WHEREAS, based on the fund estimate, $754 million for projects programmed in the first three years of the STIP period (fiscal years 2016-17 through 2018-19) must be deleted, and $755 million for projects programmed in the first three years of the STIP period must be delayed (reprogrammed) to the last two years of the five-year period, and

1.8 WHEREAS the projected $1.5 billion shortfall in funds available in the first three years of the 2016 STIP required currently programmed projects to be fully deleted, partially deleted, and/or delayed, and

1.9 WHEREAS, lack of funding for new priority projects causes hardship to Regions and the Department of Transportation (Department), including meeting goals of regional and statewide plans and sustainable communities strategies, and

1.10 WHEREAS prior programming decisions and funding commitments remain a priority for the Commission, and

1.11 WHEREAS the statutes define the STIP as a resource management document to assist the state and local entities to plan and implement transportation improvements and to utilize resources in a cost effective manner, and

1.12 WHEREAS the statutes make 75% of all new STIP funds available for the regional improvement program, subdivided by formula into county shares, with projects to be nominated by each regional agency in its regional transportation improvement program (RTIP), and

1.13 WHEREAS the statutes make the remaining 25% of all new STIP funds available for the interregional improvement program, with projects to be nominated by the Department in its interregional transportation improvement program (ITIP) or, under limited circumstances, by a regional agency in its RTIP, and

1.14 WHEREAS the Commission has received and reviewed the 2016 RTIPs and the 2016 ITIP submitted on or about December 15, 2015, amended RTIPs and ITIP submitted on or about February 26, 2016, and various amendments and corrections submitted subsequently, and

1.15 WHEREAS, pursuant to Section 14529, the Commission held two public hearings, one in Irvine on March 17, 2016, and the other in Sacramento on March 24, 2016, for the purpose of reconciling any objections by any county or regional agency to the ITIP or the Department's objections to any RTIP, and has considered the testimony heard at those hearings along with further written and oral comments, and

1.16 WHEREAS the total amount programmed in each fiscal year may not exceed the amount specified in the adopted fund estimate, and

1.17 WHEREAS the Commission staff recommendations for the 2016 STIP were published and made available to the Commission, the Department, regional transportation agencies, and county transportation commissions on April 22, 2016, and

1.18 WHEREAS the staff recommendations conform to the fund estimate and other requirements of statute for the STIP.

2.1 NOW THEREFORE BE IT RESOLVED that the California Transportation Commission hereby adopts the 2016 State Transportation Improvement Program to include the program described in the staff recommendations, including the attachments to this resolution, and

2.2 BE IT FURTHER RESOLVED that, except as otherwise noted in the staff recommendations or this resolution, the 2016 STIP includes all projects remaining from the 2014 STIP, as currently amended, for which funding has not yet been allocated, and

2.3 BE IT FURTHER RESOLVED that each of the local road and transit rehabilitation projects included in the staff recommendations or remaining from the 2014 STIP is included in the 2016 STIP, subject to verification by the Department at the time of allocation by the Commission that the project meets the standard for rehabilitation and does not include ineligible maintenance costs, and

2.4 BE IT FURTHER RESOLVED that each project identified in the staff recommendations as a bicycle and pedestrian project is included in the 2016 STIP subject to verification by the Department and the Federal Highway Administration that the project is indeed eligible for SHA or Federal non-TE funding, and

2.6 BE IT FURTHER RESOLVED that the Commission intends that STIP rail and transit projects, including grade separations on passenger rail lines, be eligible for, and funded from the Public Transportation Account, if available, or, if eligible, from the state's Federal Surface Transportation apportionment, and

2.7 BE IT FURTHER RESOLVED that if available funding is less than assumed in the fund estimate, the Commission may be forced to delay or restrict allocations using interim allocation plans, or, if available funding proves to be greater than assumed, it may be possible to allocate funding to some projects earlier than the year programmed, and

2.8 BE IT FURTHER RESOLVED that the Commission's priority for programming in the first three years of the 2018 STIP will be for those projects carried over from the 2016 STIP that were delayed to years later than requested, and

2.9 BE IT FURTHER RESOLVED that the Commission's priority for new programming when sufficient program capacity becomes available, likely in the 2018 STIP or later, will be directed as outlined in future guidelines and based on regional and interregional priorities and share balances, to (1) project cost increases requested in the 2016 RTIPs and ITIP but not programmed in the 2016 STIP, (2) projects or project components programmed in the 2014 STIP and deleted without prejudice in the 2016 STIP, and (3) new projects, and

2.10 BE IT FURTHER RESOLVED that changes to or the addition of the STIP funding of projects also funded from competitive Proposition 1B programs does not constitute approval of non-STIP Proposition 1B programming actions, and

2.11 BE IT FURTHER RESOLVED that the approval of such actions requires the approval of a baseline or program amendment, or inclusion in a new programming action in the appropriate Proposition 1B program, with subsequent conforming STIP amendments as needed based on the Proposition 1B programming action, and

2.12 BE IT FURTHER RESOLVED that Commission staff, in consultation with the Department and regional agencies, is authorized to make further technical changes in cost, schedules, and descriptions for projects in the 2016 STIP, consistent with the fund estimate, in order to reflect the most current information, or to clarify the Commission's programming commitments, with report of any substantive changes back to the Commission for approval at the June 29-30, 2016 meeting.

ATTACHMENT A
2016 STIP STAFF RECOMMENDATIONS
ERRATA
(All costs listed in $1,000's)

County Share Summaries:

- Orange: For I-5 Widening, Segment 1 (Rt 73-Oso Parkway) Project (PPNO 2655), **increase** construction support amount to **$4,943** from $4,843.
- San Bernardino: For I-10 Express Lanes, Phase 1 Project (PPNO 134K), **change name** to I-10 Express Lanes **Phase II.**
- Santa Cruz: For Rt 1 Harkins Slough Rd Interchange Project (PPNO 413), **decrease** R/W amount to **$600** from $700.
- Interregional Program: For the Rt 29, Widen to 4 lanes, Segment 2C Project (PPNO 3100), delay construction ($11,160) and construction support ($1,000) from 2017-18 to 2018-19 (to match change in the RIP funds).

ATTACHMENT B
2016 STIP STAFF RECOMMENDATIONS
LATE CHANGES AND CLARIFICATIONS
(All costs listed in $1,000's)

County Share Summaries:

- Amador: For Planning, Programming, and Monitoring (PPNO B1950), increase construction amounts to **$59** from $36 in 2016-17, to **$59** from $35 in 2017-18, to **$58** from $35 in 2018-19, and decrease to **$0** from $35 in 2019-20.
- Contra Costa: For Rt 680/4 Interchange, Widen Rt 4 Project (PPNO 298E), **advance** R/W ($5,100) to 2017-18 from 2018-19.
    - For Walnut Creek BART TOD Intermodal Project (PPNO 2010B), **delay** construction ($5,300) from 2016-17 to 2017-18.
- Colusa: For Norman Rd, Willow Creek-Argo St. Rehab Project (PPNO 2853), **delay** construction ($1,267) from Prior to 2016-17.
    - For Citywide, various locations, Rehab and Ped Safety Project (PPNO 2852), **delay** E&P ($15) and PS&E ($70) from Prior to 2016-17.
- Fresno: For Rt 180 West Freeway, Landscaping Project (PPNO 6489), **decrease** R/W amount to **$0** from $462 and construction support amount to **$462** from $3,560, and **increase** construction amount to **$3,560** from $0.
- Mono: For Countywide Preventative Maintenance Program Project (PPNO 2605), **delay** E&P ($50) from Prior to 2017-18.
- Monterey: For Planning, Programming, and Monitoring (PPNO 1165), **increase** construction amounts to **$231** from $185 in 2016-17, to **$231** from $185 in 2017-18, to **$231** from $185 in 2018-19, and to **$234** from $185 in 2019-20.
- Yolo: For I-5/Rt 113 connector, Phase 2 Project (PPNO 301X), **decrease** and **close** the following components: E&P amount to **$1** from $50; PS&E amount to **$4,706** from $4,750; R/W Sup to **$907** from $1,000; and R/W to **$1,150** from $2,926.
- Interregional Program: For the Rail Capitalized Maintenance in Support of Service Expansion Project (PPNO 2065), **add $1,000** to construction in 2016-17.
    - For the Seacliff Siding Upgrade and Extension Project (PPNO 2089), **delete** all funding and remove from the ITIP (project will be delivered with other funds).
    - For the Raymer to Bernson Double Track Project (PPNO 2098), **increase** construction to **$60,820** from $40,500 in 2020-21.

2016 STIP STAFF RECOMMENDATIONS

California Transportation Commission
April 22, 2016

This document presents the recommendations of the staff of the California Transportation Commission (Commission) for the 2016 State Transportation Improvement Program (STIP). Government Code Section 14529.3 requires that the Executive Director of the Commission make these recommendations available to the Commission, the Department of Transportation (Caltrans), the Regional Transportation Planning Agencies, and the County Transportation Commissions at least 20 days prior to the Commission's adoption of the STIP. The Commission will receive comments on these recommendations and adopt the STIP at its May 18-19, 2016 meeting.

The STIP is a key planning document for funding future state highway, intercity rail and transit improvements throughout California. State law requires the Commission to update the STIP biennially, in even-numbered years, with each new STIP adding two new years to prior programming commitments. The 2016 STIP covers the five-year period from fiscal year 2016-17 through fiscal year 2020-21.

Prior to adopting the STIP, the Commission is required by law (Government Code Section 14525), to estimate the amount of funding expected to be available for the five year STIP period. The 2016 STIP Fund Estimate, adopted by the Commission in August 2015, estimated no new programming capacity based on an assumed price-based excise tax rate for fiscal year 2016-17 of 14.1 cents per gallon, increasing to 18 cents prior to the end of the fund estimate period. In response to declining gasoline prices, Caltrans presented amended revenue assumptions at the Commission's January 2016 meeting. These assumptions projected that the price-based excise tax would drop further than originally anticipated on July 1, 2016. At that time, based on the revised assumptions, the Commission adopted an amended 2016 STIP Fund Estimate reflecting a price-based excise tax assumption of 10 cents effective July 1, 2016, increasing to 18 cents by the last year of the fund estimate.

Based on the amended 2016 Fund Estimate, the STIP is over programmed in the first three years of the STIP period (fiscal years 2016-17 through 2018-19) by $1.5 billion, and there is no capacity to add new projects. This over programming affects both the Public Transportation Account (PTA) and the State Highway Account (SHA). As a result, project funding carried forward from the 2014 STIP for fiscal years 2016-17 through 2018-19 totaling $754 million must be deleted and an additional $755 million must be delayed to the last two years of the 2016 STIP period (fiscal years 2019-20 and 2020-21).

Staff recommendations are based on the combined programming capacity for the PTA and SHA as identified in the amended Fund Estimate adopted by the Commission on January 21, 2016 (state law only allows amendments to the Fund Estimate prior to March 1). If available funding is less than assumed, the Commission may be forced to delay or restrict allocations using interim allocation plans. On the other hand, if available funding proves

to be greater than assumed, it may be possible to allocate funding to projects earlier than the year programmed.

Staff recommendations reflect (1) no new projects, (2) project deletions and delays proposed by regional agencies and Caltrans, and (3) additional project deletions and delays. Although STIP regional shares are split 60/40 (South/North), geographic programming equity of approximately 56.4 percent in the South and 43.6 percent in the North is recommended. This funding ratio is proportionate to programming in the three early years of the 2016 STIP period (fiscal years 2016-17, 2017-18 and 2018-19) carried forward from the 2014 STIP.

The adopted 2016 STIP Guidelines included a one-time allowance for agencies to delay current year (fiscal year 2015-16) projects into the 2016 STIP period. This allowance was determined to be necessary since not all projects programmed in fiscal year 2015-16 could receive allocations due to insufficient funds. To fully allocate fiscal year 2015-16 projects, including projects with extensions in the STIP period, staff recommendations include the delay of projects programmed in fiscal year 2016-17 of at least one year.

Since PTA funding is more limited than SHA funding, staff recommendations for all projects are based on the combined, total fund capacity identified in the amended Fund Estimate for highway, local road, rail, transit, bicycle, and pedestrian projects. Through fiscal year 2020-21, the recommended programming is about equal to the identified capacity.

The Commission's adopted STIP may include only projects nominated by a regional agency in its Regional Transportation Improvement Program (RTIP) or by Caltrans in its Interregional Transportation Improvement Program (ITIP). Accordingly, the staff recommendations for the 2016 STIP include the following:

- Highways and Local Roads. Staff recommendations include (1) no new projects, (2) project deletions and delays proposed by regional agencies and Caltrans, (3) additional project deletions and delays, and (4) no project cost increases later than fiscal year 2017-18, and (5) no Planning, Programming and Monitoring (PPM) increases.

- Rail and Transit. Staff recommendations include (1) no new projects, (2) project deletions and delays proposed by regional agencies and Caltrans, (3) additional project deletions and delays, and (4) no project cost increases later than fiscal year 2017-18.

- Bicycle and Pedestrian. Staff recommendations include (1) no new projects, (2) project deletions and delays proposed by regional agencies and Caltrans, (3) additional project delays, and (4) no project cost increases later than fiscal year 2017-18.

The staff recommendations by project for each county and interregional share are listed on the pages that follow. The recommendations are based primarily on:

- Adopted amended 2016 Fund Estimate identifying the need to delete and delay projects currently programmed in the first three years of the STIP period (fiscal years 2016-17 through 2018-19); and

- Commission policies as expressed in the STIP Guidelines, 2016 STIP programming proposals, geographic equity, and priorities identified for fiscal year 2015-16 allocations.

FUND ESTIMATE AND GUIDELINES FOR THE 2016 STIP

The development of the 2016 State Transportation Improvement Program (STIP) began with the California Transportation Commission's (Commission) adoption of the initial 2016 STIP Fund Estimate, together with the adoption of amendments to the STIP Guidelines, on August 27, 2015, and adoption of an amended Fund Estimate (including a change to the assumption regarding the future price-based excise tax rate and a resultant decrease in projected STIP revenues) on January 21, 2016.

STIP proposals were made through the Regional Transportation Improvement Programs (RTIPs) and the Interregional Transportation Improvement Program (ITIP), which were due to the Commission by December 15, 2015. Subsequent to the adoption of the amended Fund Estimate, revised RTIPs and the ITIP were due by February 29, 2016. The Commission subsequently held two public hearings on the revised proposals, one on March 17, 2016 in Irvine and the other on March 24, 2016 in Sacramento.

2016 Amended STIP Fund Estimate

The 2016 Amended STIP Fund Estimate covered the five-year period of the 2016 STIP, fiscal years 2016-17 through 2020-21, and estimated total statewide new programming capacity of negative $754 million. As a result, there is insufficient funding to program new highway, rail and transit, and bicycle and pedestrian projects and existing programmed projects must be deleted or delayed.

The programming of the 2016 STIP includes a base of $554 million programmed in fiscal year 2015-16 (base year included because of a $176 million shortfall that carries into the 2016 STIP period) and $2.153 billion in fiscal years 2016-17 through 2018-19 to projects carried forward from the 2014 STIP. Funding capacity is insufficient to cover the existing programmed amount, resulting in the need to delete $754 million in programming, for a new 2016 STIP program total of $1.953 billion.

SUMMARY OF 2014 STIP CAPACITY
($ in millions)

	Carryover Capacity	New Capacity	Total
Federal Transportation Enhancement (TE) (eliminated)	$ 0	$ 0	$ 0
Public Transportation Account (PTA)	417	-167	250
State Highway Account (SHA)	2,290	-587	1,703
Total (may not match FE due to rounding)	**$2,707**	**$ -754**	**$1,953**

The following table is a breakdown of the $1.953 billion total STIP capacity by fiscal year:

SUMMARY OF 2016 STIP CAPACITY BY YEAR
($ in millions)

	2015-16 (base)	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Transportation Enhancement (TE)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Transit (PTA)	50	40	40	40	40	40	250
Roads (SHA)	328	200	225	275	320	355	1,703
Total	**$ 378**	**$ 240**	**$ 265**	**$ 315**	**$ 360**	**$ 395**	**$1,953**

Programming capacity was determined in the amended Fund Estimate by estimating available revenues and deducting current commitments against those revenues. Programming capacity does not represent cash. It represents the level of programming commitments that the Commission may make to projects for each year within the STIP period. For example, cash will be required in one year to meet commitments made in a prior year, and a commitment made this year may require the cash over a period of years. The Fund Estimate methodology uses a "cash flow allocation basis," which schedules funding capacity based upon cash flow requirements and reflects the method used to manage the allocation of funding for capital projects.

STIP Guidelines
Policies and Procedures Specific to the 2016 STIP

The following specific policies and procedures address the particular circumstances of the 2016 STIP:

- Schedule. The following schedule lists the major milestones for the development and adoption of the 2016 STIP **(as amended at the January 20-21, 2016 Commission meeting)**:

Caltrans presents draft Fund Estimate	June 25, 2015
STIP Guidelines & Fund Estimate Workshop	July 23, 2015
CTC adopts Fund Estimate & Guidelines	August 27, 2015
Caltrans identifies State highway needs	September 15, 2015
Caltrans submits draft ITIP	October 15, 2015
CTC ITIP hearing, North	October 28, 2015
CTC ITIP hearing, South	November 4, 2015
Regions submit RTIPs	December 15, 2015
Caltrans submits final ITIP	December 15, 2015
~~CTC STIP hearing, North~~	~~January 21, 2016~~
~~CTC STIP hearing, South~~	~~January 26, 2016~~
~~CTC publishes staff recommendations~~	~~February 19, 2016~~
~~CTC adopts STIP~~	~~March 16-17, 2016~~
CTC adopts amended Fund Estimate	**January 21, 2016**
Regions submit revised RTIPs	**February 26, 2016**
Caltrans submits revised ITIP	**February 26, 2016**
CTC STIP Hearing, South	**March 17, 2016**
CTC STIP Hearing, North	**March 24, 2016**
CTC publishes staff recommendations	**April 22, 2016**
CTC adopts STIP	**May 18-19, 2016**

- Statewide Fund Estimate. The statewide capacity for the 2016 STIP Fund Estimate identifies net new capacity only in the two years added to the STIP, 2019-20 and 2020-21, with decreases in capacity in earlier years. The decreases in capacity are due mainly to the decrease in the price based excise tax. The estimate incorporates the 2015-16 Budget Act and other 2015 legislation enacted prior to the Fund Estimate adoption. Programming in the 2016 STIP will be constrained by fiscal year, with most new programming in the two years added to the STIP, 2019-20 and 2020-21.

- County shares and targets. The 2016 Fund Estimate indicates that the STIP is already fully programmed for the entire 5 years of the 2016 STIP (there is about $46 million of capacity available in the last year of the STIP period). This is due primarily to the decrease in the price based excise tax. Projects currently programmed in the STIP will need to be reprogrammed into later years.

- Reprogramming of current year projects. In a departure from the general rule in the STIP Guidelines, projects programmed in 2015-16, including projects from prior years

that have allocation extensions, may be reprogrammed to a later fiscal year if they are on the list of delivered projects or if they have been granted, prior to adoption of the Fund Estimate, an extension of the allocation period that expires after the adoption of the 2016 STIP. In addition, projects programmed in 2015-16 may be proposed for delay in the RTIP or ITIP submitted by December 15, 2015.

- Submittal of RTIPS. The Regional Transportation Planning Agency (RTPA) Group has voluntarily developed a template for submittal of RTIPs, and encourages its use by regions for the 2016 STIP. The purpose of the template is to make RTIP submittals more consistent statewide and to present a visualization tool that provides information in an organized and transparent manner. The RTIP template includes, but is not limited to, the following: contact information, a summary of previously completed RTIP projects, information on how regions are delivering projects and meeting state and federal goals, a public participation summary, a description of the relationship between the RTIP and the adopted RTP/SCS, and a description of the performance and effectiveness of the RTIP.

- Transit and Rail Projects. A region may nominate transit and rail projects in its RTIP within State Highway Account (SHA) and Federal funding constraints (rolling stock may only be funded with Federal funds). As indicated in the fund estimate, a small amount of PTA funds is available to fund transit and rail projects. A region nominating a project that requires PTA funding because it does not meet SHA or Federal requirements must clearly explain this requirement in its RTIP.

- Bicycle and Pedestrian projects. Existing bicycle and pedestrian projects may remain in the STIP so long as they are eligible for State Highway Account or Federal funds.

- Limitations on planning, programming, and monitoring (PPM). The fund estimate includes a table of PPM limitations that identifies the 5% limit for county shares for 2016-17 through 2020-21, based upon the 2012, 2014, and 2016 Fund Estimates. These are the amounts against which the 5% is applied. The PPM limitation is a limit to the amount that can be programmed in any region and is not in addition to amounts already programmed.

- Advance Project Development Element (APDE). There is no APDE identified for the 2016 STIP.

- GARVEE bonding and AB 3090 commitments. The Commission will not consider proposals for either GARVEE bonding or new AB 3090 commitments as part of the 2016 STIP. The Commission will consider AB 3090 or GARVEE bonding proposals as amendments to the STIP after the initial adoption. Commission staff will maintain an "AB 3090 Plan" which will include projects for which regions intend to request an AB 3090 reimbursement in order to advance the project into 2016-17, 2017-18, or 2018-19. The inclusion of a project on the list is not a commitment by the regional agency to request an AB 3090 reimbursement, an endorsement or recommendation by Commission staff, or an approval by the Commission.

- Caltrans Benefit/Cost Model. The 2016 STIP Guidelines continue the requirement for project-level evaluations including use of Caltrans' Benefit/Cost Model. Caltrans has developed a model for bicycle and pedestrian projects in order to improve information available to decision makers at the regional and state level.

- Commission expectations and priorities. The 2016 Fund Estimate indicates that the 2014 STIP is over-programmed in the early years. Some of this over-programming will likely be resolved through the schedule updates which occur each STIP cycle. However, some projects currently programmed in the STIP may need to be delayed (reprogrammed into a later year).

  For the 2016 STIP, the Commission expects to give first priority to the reprogramming of projects from the 2014 STIP, as amended.

  The selection of projects for additional programming will be consistent with the standards and criteria in section 61 of the STIP guidelines. In particular, the Commission intends to focus on RTIP proposals that meet State highway improvement and intercity rail needs as described in section 20 of the guidelines. The Department should provide a list of the identified state highway and intercity rail needs to regional agencies and to the Commission by September 15, 2015. Should the Department fail to provide a region and the Commission with this information, the Commission intends to assume there are no unmet state highway or intercity rail needs in that region.

  California has been in a historic drought and Governor Brown proclaimed a state of emergency on January 17, 2014. In addition, the Governor issued statewide mandatory water reductions on April 1, 2015. Therefore, it is the intent of the Commission that any landscape projects currently programmed but not yet allocated and awarded, or any new landscape projects, will include drought tolerant plants and irrigation consistent with the Governor's actions.

  Governor Brown issued Executive Order B-30-15 on April 29, 2015, related to climate change and ordering that a new interim statewide greenhouse gas emission reduction target to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030 is established. The order states that State agencies shall take climate change into account in their planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives. In addition, State agencies' planning and investment shall be guided by the following principles:

  - Priority should be given to actions that both build climate preparedness and reduce greenhouse gas emissions;
  - Where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts;
  - Actions should protect the state's most vulnerable populations; and
  - Natural infrastructure solutions should be prioritized.

  Executive Order B-30-15 must be considered by the Department and Regional Agencies when proposing new programming for the 2016 STIP. The Commission intends to consider Executive Order B-30-15 when approving programming

recommendations in the event that programming requests exceed programming capacity.

Note: Subsequent to adoption of the 2016 STIP Guidelines and Fund Estimate, the Commission adopted an amended 2016 Fund Estimate at the January 20-21, 2016 Commission meeting. Due to the estimated decrease in the price-based excise tax, the 2016 amended STIP Fund Estimate identified over programming of $1.5 billion in the first three years of the 2016 STIP period and a negative programming capacity of $754 million.

STIP PROPOSALS

The Commission may include in the STIP only projects that have been nominated by a regional agency in its RTIP or by Caltrans in its ITIP. For the 2016 STIP, amended RTIPs and the ITIP were due to the Commission by February 26, 2016.

Regions and Caltrans were asked to identify projects that could be deleted and delayed to meet the (1) $754 million deletion target and (2) the $755 million delay target to the last two years of the STIP. The revised RTIPs and ITIP together proposed $515 million in deletions, short of the $754 million target by $239 million. Also, insufficient project delays to the last two years of the STIP period were proposed. Therefore, staff recommendations include delays to and deletions of funding for many existing programmed projects, beyond those proposed by the regions or Caltrans. In addition, requests for new projects and increased programming are not recommended for inclusion in the 2016 STIP.

The spreadsheets showing project programming recommendations reflect revisions since the preparation of the Commission Briefing Book for the STIP hearings, including updated information provided by regions and Caltrans.

RECOMMENDED STIP ACTIONS

Staff recommends the adoption of the 2016 STIP to include the specific projects and schedules shown in the spreadsheets at the end of this document and as further described in the following narrative. These recommendations identify specific project components and costs for each year of the 2016 STIP, with separate groupings for highway, rail and transit, and bicycle and pedestrian projects.

The table on page 1 identifies the total amounts recommended from each county and the interregional share for highway, rail and transit, and bicycle and pedestrian projects. The table sums the amounts recommended for each county and the interregional program by fiscal year and compares the amounts recommended to the total targets for each county and interregional share. It also compares the statewide total recommended by fiscal year to the statewide capacity by fiscal year.

The tables on pages 2, 3 and 4 sum the recommendations for highway and local road projects, rail and transit projects, and bicycle and pedestrian projects.

The project recommendations are based primarily on the 2016 amended STIP Fund Estimate adopted by the Commission on January 21, 2016 identifying a $754 million shortfall in programming capacity over the next five years. Funding for projects currently programmed in the first three years of the 2016 STIP period (fiscal years 2016-17 through 2018-19) totaling $754 million must be deleted and another $755 million must be delayed to fiscal years 2019-20 and 2020-21. Project funding was deleted and delayed to meet the targets identified based on the following methodology:

- Project deletions, delays and priorities recommended by regional agencies in their RTIPs and by Caltrans in its ITIP;
- Addition of no new projects;
- Retention of existing programming for Planning, Programming and Monitoring;
- Geographic equity;
- Commission policies and priorities.

Project Recommendations

The staff recommendations identify programming for specific projects and project components including project deletions and delays to reduce program levels in fiscal years 2016-17 through 2018-19 to the capacity identified in the amended Fund Estimate.

The staff recommendations provide priority to reprogramming projects from the 2014 STIP, as amended, and retention of programming for PPM within the statutory limits. The recommended schedule reflects the limits of Fund Estimate program capacity.

UNCERTAINTIES FOR FUTURE FUNDING ALLOCATIONS

The 2016 STIP staff recommendations are consistent with the adopted amended 2016 Fund Estimate, as required by statute. Funding conditions may, and usually do, continue to change from the assumptions made in the Fund Estimate. The Commission and Caltrans will continue to monitor those conditions to determine ability to allocate funding to STIP projects. If available funding is less than was assumed in the Fund Estimate, the Commission may be forced to delay or restrict allocations through the use of allocation plans. On the other hand, if available funding proves to be greater than was assumed in the Fund Estimate, it may be possible to allocate funding to some projects sooner than the year programmed.

APPENDIX TO 2016 STIP STAFF RECOMMENDATIONS

SUMMARY TABLES

The tables on the following pages are included with these recommendations for information and reference. Four statewide summary tables and separate project listings for each of the 59 county shares and the interregional share are provided.

The four statewide summary tables are:

- **Staff Recommendation, All Projects**. Includes, for each county share and the interregional program, the net new programming recommended by fiscal year. At the bottom of the table is a comparison of the statewide total recommended to the year-by-year capacity for new programming.

- **Staff Recommendation, Highway and Local Road Projects**. Includes, for each county share and the interregional program, the net new programming recommended for highway and local road projects by fiscal year.

- **Staff Recommendation, Rail and Transit Projects**. Includes, for each county share and the interregional program, the net new programming recommended for rail and transit projects by fiscal year.

- **Staff Recommendation, Bicycle and Pedestrian Projects**. Includes, for each county share and the interregional share, the net new bicycle and pedestrian programming recommended by fiscal year.

COUNTY AND INTERREGIONAL TABLES

The separate tables for each of the county shares and the interregional share include:

- **STIP Projects at initial Fund Estimate (August 2015).** These are the projects and amounts programmed in the STIP when the Fund Estimate was adopted. These projects constitute the base against which Fund Estimate estimated capacity and the base against which programming was proposed and is recommended.

- **Recommended 2016 STIP Programming.** This section includes all recommended changes to existing programming, by component and fiscal year. In most cases, changes to an existing project are displayed by listing the existing programming as a deduction (negative), followed by the programming as now proposed (positive). This section first lists highway and local road projects and their subtotal, then the rail and transit (PTA-eligible) projects and their subtotal, then the bicycle and pedestrian projects and their subtotal, followed by the Total Programming Recommended. Where the recommendation is for a different fiscal year from the year proposed in the RTIP or ITIP, the color or shading in a cell indicates the fiscal year for which the project was originally proposed.

- **Notes/Projects Not Included in Staff Recommendation.** The box at the bottom of each table identifies projects proposed by the regional agency or Caltrans that are not included in the staff recommendation, together with various notes and comments on the proposed projects and the staff recommendation.

- **Balance of STIP County Share.** The box at the bottom of the page identifies the share balance and the total recommended new programming.

SUMMARY OF 2016 STIP STAFF RECOMMENDATIONS BY COUNTY
($1,000's)

County	Program Total	Totals Proposed by Year					
		Prior	2016-17	2017-18	2018-19	2019-20	2020-21
Alameda	(8,789)	0	(5,063)	0	(15,726)	0	12,000
Alpine	(1,400)	0	(276)	(1,745)	261	360	0
Amador	(911)	0	(23)	(3,975)	(23)	3,110	0
Butte	(1,500)	(1,900)	(499)	(10,301)	0	11,200	0
Calaveras	(1,500)	(1,390)	(1,327)	(1,476)	(17)	1,361	1,349
Colusa	0	0	(700)	700	0	0	0
Contra Costa	(53,700)	(1,007)	(44,793)	(24,757)	(9,900)	24,757	2,000
Del Norte	0	0	0	0	0	0	0
El Dorado CTC	(70)	0	(5,584)	5,500	(56)	70	0
Fresno	(10,486)	227	(49,400)	0	34,665	462	3,560
Glenn	(1,392)	(624)	(126)	(1,413)	(266)	1,032	5
Humboldt	(800)	(740)	(610)	550	(15,300)	3,000	12,300
Imperial	(60)	2,178	0	(33,650)	0	31,412	0
Inyo	(19,240)	(1,934)	(7,392)	0	(33,400)	23,486	0
Kern	(22,604)	(1,319)	(17,035)	(28,901)	24,651	0	0
Kings	0	0	(1,376)	0	0	1,376	0
Lake	(194)	(164)	(5,225)	(6,836)	11,902	0	129
Lassen	(2,340)	(120)	(9,821)	5,920	(1,209)	0	2,890
Los Angeles	(55,600)	0	(55,600)	(28,300)	(36,520)	37,020	27,800
Madera	(1,500)	0	(3,044)	0	(1)	1,545	0
Marin	(571)	0	(826)	255	0	0	0
Mariposa	(1,090)	(821)	283	(325)	(1,157)	25	905
Mendocino	(2,656)	(565)	(5,448)	1,226	(2,503)	3,155	1,479
Merced	(3,083)	(3,083)	0	0	0	0	0
Modoc	(1,712)	0	(1,914)	1,434	(2,339)	797	310
Mono	(9,391)	(2,621)	(6,638)	(422)	(8,554)	7,654	1,190
Monterey	(16,287)	(4,500)	(9,874)	(23,424)	1,526	19,985	0
Napa	(3,373)	0	(1,596)	(1,427)	(1,904)	400	1,154
Nevada	0	0	0	(3,000)	0	3,000	0
Orange	(39,083)	0	(40,415)	0	(85,598)	9,000	77,930
Placer TPA	(3,000)	(3,000)	(55)	(55)	(55)	165	0
Plumas	(4,162)	0	(340)	(356)	(4,212)	390	356
Riverside	(35,174)	(550)	(31,015)	(20,955)	0	17,346	0
Sacramento	(31,731)	0	(17,900)	(2,007)	(25,144)	2,312	11,008
San Benito	0	0	(9,639)	0	0	9,639	0
San Bernardino	(63,771)	(2,637)	(22,611)	(39,745)	(38,523)	0	39,745
San Diego	(41,000)	0	(36,000)	(49,000)	0	0	44,000
San Francisco	(3,458)	0	(3,458)	0	0	0	0
San Joaquin	(12,914)	(3,194)	2,194	(3,061)	(21,153)	12,300	0
San Luis Obispo	(1,100)	0	(7,881)	157	0	0	6,624
San Mateo	(29,208)	0	(16,709)	(10,314)	(7,813)	2,411	3,217
Santa Barbara	(1,962)	0	(11,372)	138	(2,037)	11,309	0
Santa Clara	(7,982)	0	(8,390)	637	(3,504)	3,275	0
Santa Cruz	(6,640)	(1,470)	(9,681)	(3,733)	2,255	5,989	0
Shasta	(275)	0	(12,797)	0	0	12,522	0
Sierra	0	0	(850)	(50)	900	0	0
Siskiyou	(3,523)	(150)	(1,292)	(4,032)	(3,195)	3,002	2,144
Solano	(7,009)	0	(945)	0	(6,064)	0	0
Sonoma	(1,177)	0	(1,177)	0	0	0	0
Stanislaus	(4,100)	(18,914)	(4,336)	236	18,914	0	0
Sutter	0	0	0	(3,970)	0	3,970	0
Tahoe RPA	0	0	0	0	0	0	0
Tehama	(6,393)	(4,752)	(430)	1,836	(6,665)	2,318	1,300
Trinity	(1,581)	0	(40)	(880)	(811)	90	60
Tulare	(6,557)	0	(1,557)	(9,688)	1,688	0	3,000
Tuolumne	(1,955)	0	(192)	(9,463)	7,700	0	0
Ventura	(17,000)	0	(137)	(17,137)	(138)	412	0
Yolo	(3,134)	(500)	0	(3,547)	(3,677)	4,590	0
Yuba	(500)	0	(500)	(10,633)	0	10,633	0
Statewide Regional	(554,638)	(53,550)	(471,432)	(339,989)	(233,002)	286,880	256,455
Interregional	(199,410)	(71,852)	(229,124)	14,947	(125,138)	73,037	138,720
TOTAL	(754,048)	(125,402)	(700,556)	(325,042)	(358,140)	359,917	395,175

Cumulative Programmed	(125,402)	(825,958)	(1,151,000)	(1,509,140)	(1,149,223)	(754,048)
Cumulative Capacity	(176,000)	(734,000)	(1,151,000)	(1,509,000)	(1,149,000)	(754,000)
Cumulative Under (Over) Fund Est		91,958	0	140	223	48

ATTACHMENT B
2016 STIP STAFF RECOMMENDATIONS
LATE CHANGES AND CLARIFICATIONS
(All costs listed in $1,000's)
REVISED

County Share Summaries:

- Amador: For Planning, Programming, and Monitoring (PPNO B1950), increase construction amounts to **$59** from $36 in 2016-17, to **$59** from $35 in 2017-18, to **$58** from $35 in 2018-19, and decrease to **$0** from $35 in 2019-20.
- Contra Costa: For Rt 680/4 Interchange, Widen Rt 4 Project (PPNO 298E), **advance** R/W ($5,100) to 2017-18 from 2018-19.
    - For Walnut Creek BART TOD Intermodal Project (PPNO 2010B), **delay** construction ($5,300) from 2016-17 to 2017-18.
- Colusa: For Norman Rd, Willow Creek-Argo St. Rehab Project (PPNO 2853), **delay** construction ($1,267) from Prior to 2016-17.
    - For Citywide, various locations, Rehab and Ped Safety Project (PPNO 2852), **delay** E&P ($15) and PS&E ($70) from Prior to 2016-17.
- Fresno: For Rt 180 West Freeway, Landscaping Project (PPNO 6489), **decrease** R/W amount to **$0** from $462 and construction support amount to **$462** from $3,560, and **increase** construction amount to **$3,560** from $0.
- Humboldt: For Eureka-Arcata Corridor Improvement Project (PPNO 72), **delay** R/W ($2,000) from 2016-17 to 2017-18.
- Mono: For Countywide Preventative Maintenance Program Project (PPNO 2605), **delay** E&P ($50) from Prior to 2017-18.
- Monterey: For Planning, Programming, and Monitoring (PPNO 1165), **increase** construction amounts to **$231** from $185 in 2016-17, to **$231** from $185 in 2017-18, to **$231** from $185 in 2018-19, and to **$234** from $185 in 2019-20.
- Napa: For Rt 128/Petrified Forest Rd Intersection Improv. (PPNO 2130M), **delay** PS&E ($105) from prior to 2016-17.
- Sierra: For Smithneck Creek Rd Rehabilitation Project (PPNO 1704), **delay** PS&E ($50) from prior to 2016-17.
    - For Smithneck Creek Bike Path Project (PPNO 1706), **delay** PS&E ($50) from Prior to 2016-17.
- Yolo: For I-5/Rt 113 connector, Phase 2 Project (PPNO 301X), **decrease** and **close** the following components: E&P amount to **$1** from $50; PS&E amount to **$4,706** from $4,750; R/W Sup to **$907** from $1,000; and R/W to **$1,150** from $2,926.
- Interregional Program: For the Rail Capitalized Maintenance in Support of Service Expansion Project (PPNO 2065), **add $1,000** to construction in 2016-17.
    - For the Seacliff Siding Upgrade and Extension Project (PPNO 2089), **delete** all funding and remove from the ITIP (project will be delivered with other funds).
    - For the Raymer to Bernson Double Track Project (PPNO 2098), **increase** construction to **$60,820** from $40,500 in 2020-21.