

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 5, 2013

Reference No.: 4.8
Action

From: BIMLA G. RHINEHART
Executive Director

Subject: **STATE ROUTE 99 BOND PROGRAM - ADD ATWATER-MERCED EXPRESSWAY
PHASE 1A PROJECT AND ELK GROVE BOULEVARD INTERCHANGE PROJECT
RESOLUTION R99-P-1213-05**

ISSUE:

Should the Commission add the Atwater-Merced Expressway Phase 1A Project and the Elk Grove Boulevard Interchange Project to the State Route 99 (SR99) Bond Program?

RECOMMENDATION:

Commission staff recommends that the Commission add the proposed projects to the SR99 Bond Program as documented in Schedule I 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 \$1.0 billion in general obligation bond proceeds for the SR99 Bond Program. SR99 Bond Program funds may be used for safety, operational enhancements, rehabilitation, or capacity improvements necessary to improve the SR99 corridor traversing approximately 400 miles of the Central Valley.

At its March 15, 2007 meeting, the Commission adopted the SR99 Bond Program. Funding was distributed between two geographical regions with 15 percent to the northern area within the Sacramento Valley and 85 percent to the southern area within the San Joaquin Valley. In December 2009, the Commission adopted Supplement 2 to the Accountability Implementation Plan. Supplement 2 reflects the Commission's intent to program project cost savings to eligible projects nominated but not programmed in the initial SR99 Bond Program and/or to enhancements to existing SR99 Corridor projects.

Since the adoption of the SR99 Bond Program, project contract award savings have accumulated. At its October 2012 meeting, the Commission established a \$69 million program reserve to ensure that projects under construction can be completed as scoped. Since then, the Department conducted a risk analysis and determined that a \$25 million reserve is adequate to address unforeseen expenses on the ongoing projects. Current savings balance is approximately \$111 million, deducting the reserve of \$25 million leaves a balance of programming capacity of \$86 million.

The Department proposes to add the two projects listed in Schedule I to the SR99 Bond Program, totaling \$57 million. Commission staff reviewed the proposed projects and recommends adding the projects listed on Schedule I to the SR99 Bond Program.

Commission staff recommends that the Commission require implementing agencies advertise 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 SR 99 Bond Program savings within 15 days of bid award.

Schedule I
RECOMMENDED USE OF STATE ROUTE 99 BOND PROGRAM SAVINGS
March 2013
(Dollars in Millions)

RECOMMENDED PROJECTS READY TO ALLOCATE MARCH 2013

| Dist | Cnty | Route | Project Description | Total Project Cost | Total Construction Cost | SR99 Bond Request | SR99 Bond Recommended |
|--|-------------|--------------|--|---------------------------|--------------------------------|--------------------------|------------------------------|
| 10 | MER | 99 | Atwater-Merced Expressway Phase 1A | \$71.36 | \$52.0 | \$52.0 | \$52.0 |
| 3 | SAC | 99 | Elk Grove Boulevard / SR99 Interchange | \$8.98 | \$6.9 | \$5.0 | \$5.0 |
| Total SR99 Bond Recommended for Programming | | | | | | | \$57.0 |