

Date: November 17, 2017
File Number: 1500000
Memo to: Board of Directors
From: Kim Kawada, Chief Deputy Executive Director
Subject: **2018 State Transportation Improvement Program**

Overview

The State Transportation Improvement Program (STIP) is updated every two years and the Board of Directors is asked to approve projects for programming. For 2018, the STIP is expected to provide approximately \$187 million for projects in the San Diego region, with \$19 million of this amount dedicated to beginning work on new project phases.

The Transportation Committee recommends programming the following projects and phases of work:

1. I-5 North Coast Corridor 2 HOV: design and right of way from Palomar to SR 78; and construction from Birmingham to Palomar (\$162.391 million)
2. Regional Planning, Programming, and Monitoring (\$5.525 million)
3. I-15/SR 78 HOV Direct Connector – environmental phase (\$7 million)
4. I-805/SR 52 Auxiliary Lanes – design phase (\$4.2 million)
5. SR 94/SR 125 Connector – design phase (\$7.948 million)

Budgetary Impact: None at this time. Increase of approximately \$142 million upon approval by the California Transportation Commission (CTC).

Considerations: The STIP primarily is funded with State Highway Account funds. Public Transportation Account funds previously included in the STIP have been redirected to the Transit and Intercity Rail Capital Program. STIP proposals are due to the CTC by December 15 of every odd year.

Next Steps

STIP submittals are due to the CTC by December 15, 2017, and CTC staff recommendations are scheduled to be released in spring 2018. Any substantive changes would be brought back to the Board of Directors for further discussion.

Recommendation

Action Requested: **Approve**

The Transportation Committee recommends that the Board of Directors approve the submission of the proposed 2018 State Transportation Improvement Program to the California Transportation Commission.

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Staff report and support information attached

2018 State Transportation Improvement Program

Introduction

The California Transportation Commission (CTC) adopted the 2018 Fund Estimate for the State Transportation Improvement Program (STIP) at its meeting on August 16, 2017. The Fund Estimate is the set of revenue assumptions that are used to develop the STIP covering the period FY 2019 to FY 2023. The 2018 Fund Estimate adds about \$2.2 billion of new capacity statewide over the five-year period and includes FY 2016 STIP formula shares that were restored through the passage of Senate Bill 1 (Beall) earlier this year. Compared to the revised 2016 Fund Estimate which resulted in the need to reduce programming statewide, the 2018 STIP reflects a significant increase.

Discussion

The STIP is a five-year statewide program of projects that is updated by the CTC every two years. Funding for the STIP primarily is derived from the State Highway Account (SHA), which includes state and federal funds, with a limited amount of funding available through the Public Transportation Account (PTA), which includes only state funding. STIP funds are divided into two broad programs: the regional component, which comprises 75 percent of the funds; and the interregional component, known as the Interregional Transportation Improvement Program (ITIP), which includes an interregional rail element and comprises the remaining 25 percent.

Within the regional component, the funds are divided 40 percent to north counties and 60 percent to south counties, and then distributed by a county share formula to each of the regions. The county share formula is based on two main factors, population and lane miles of maintained state highway. SANDAG, as the Regional Transportation Planning Agency, is responsible for submitting the programming request for the San Diego County share.

During each new STIP cycle, two new years are added and funding capacity is provided, allowing regions the opportunity to program new projects or to program later phases of work for existing projects already in the development process. In 2016 there were no specific county share targets due to severe fiscal constraint, and some programmed projects were reduced or delayed.

The 2018 Fund Estimate provides a target for the San Diego region of \$122.81 million, in addition to the \$45.11 million currently programmed to existing projects in the 2016 STIP in FY 2019 through FY 2021. This results in total programming capacity of approximately \$167.92 million for the FY 2019 through FY 2023 period. Typically, up to 5 percent of county shares may be used for planning, programming, and monitoring (PPM) efforts.

The 2018 STIP also provides the San Diego region with a programming target of approximately \$19.15 million for an Advanced Project Development Element (APDE). The APDE is designed to help agencies complete environmental or design work on new projects to prepare them for future STIP funding or to compete for funds in other programs. Therefore, APDE funding is limited to only environmental and design phases of work and is not eligible for projects proposed for right-of-way or construction funding in the STIP. The APDE target does not count against the current county share target, but would count against future county share targets in subsequent STIP cycles.

Current 2016 STIP

The 2016 STIP, as shown in Table 1 below, programmed approximately \$45.11 million from FY 2019 through FY 2021.

Table 1: Current 2016 STIP (\$000s)

Project	FY 2019	FY 2020	FY 2021	Total
1. I-5 North Coast Corridor			\$44,000	\$44,000
2. Regional Planning, Programming, and Monitoring	\$1,105			\$1,105
TOTAL	\$1,105		\$44,000	\$45,105

Project Consideration

The proposed 2018 STIP continues to implement SANDAG Board practice (in effect since the 2004 STIP) that prioritizes projects for funding as follows:

1. Focus on projects that are ready to go to construction
2. Focus on completing projects currently programmed in the STIP
3. Focus on *TransNet* Early Action Program projects

In addition, the STIP Guidelines require that Caltrans and SANDAG meet and confer regarding project funding needs and priorities in development of the proposed STIP. During the consultation over the past couple of months with Caltrans District 11, staff evaluated the portfolio of projects in the *TransNet* program, Caltrans operational priorities for both the highway and rail programs, and the status of regional bike projects.

Other considerations include the total costs of potential projects and how competitive the projects likely are to be in competing for SB 1 or other funds. In addition, while a variety of project types are eligible for funding through the STIP, proposed projects must meet funding eligibility requirements specific to the STIP's funding sources—the SHA and PTA. The SHA is a mixture of state and federal funds limited to surface transportation uses defined in the California's Constitution. The PTA is the traditional fund source for transit, bicycle, and pedestrian projects. Under SB 1, future PTA funds will be directed to the Transit and Intercity Rail Capital Program rather than to the STIP.

The CTC has advised that remaining STIP PTA capacity statewide will be utilized over the five-year 2018 STIP period for the ITIP, and no PTA funds are available for programming of regional shares. Caltrans Division of Rail is proposing to program approximately \$30 million in this funding for construction of the San Onofre to Pulgas Phase 2 double-tracking project in the Los Angeles-San Diego-San Luis Obispo rail corridor. This funding would be supplementary to and not count against the San Diego 2018 STIP county share target.

In addition, the Transit and Intercity Rail Capital Program and Active Transportation Program each received a significant increase in funding under SB 1 to further transit and bicycle/pedestrian improvements. SANDAG traditionally has been successful under these programs and has several projects ready to compete for funds once the various calls for project nominations occur.

Proposed 2018 STIP

As stated previously, the 2018 STIP county share period target for SANDAG is \$122.81 million, and approximately \$45.11 million currently is programmed between FY 2019 and 2021 in the 2016 STIP. This means an estimated \$167.92 million is available for programming in the 2018 STIP. In addition, the SANDAG APDE target is approximately \$19.15 million and can be used to begin environmental work on projects with completed project initiation documents or to advance design on projects with environmental clearance. SANDAG has a PPM programming limitation of up to 5 percent of its new county share target between FY 2021 and FY 2023; however, because SANDAG traditionally has programmed less than 5 percent of its target for PPM, funds may be programmed in FY 2020 based on the PPM programming capacity from earlier county share periods.

Table 2 shows the staff recommendation for the 2018 STIP, which includes the full county share target of \$167.9 million (including \$5.52 million for PPM) and \$19.2 million in APDE funding. The total proposed for the 2018 STIP is about \$187.1 million.

Table 2: Proposed 2018 STIP Programming (\$000s)

Project	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
1. I-5 North Coast Corridor 2 HOV <ul style="list-style-type: none"> • Design and Right of Way from Palomar to State Route 78 (SR 78) • Construction from Birmingham to Palomar 	\$52,997	109,394				\$162,391
2. Regional Planning, Programming, and Monitoring	1,105	1,105	1,105	1,105	1,105	5,525
Project Target Subtotal	\$54,102	110,499	1,105	1,105	1,105	\$167,916
APDE Projects	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
3. I-15/SR 78 HOV Direct Connector <ul style="list-style-type: none"> • Environmental 	\$7,000					\$7,000
4. I-805/SR 52 Auxiliary Lanes <ul style="list-style-type: none"> • Design 	4,200					4,200
5. SR 94/SR 125 Connector <ul style="list-style-type: none"> • Design 	7,948					7,948
APDE Subtotal	\$19,148					\$19,148
TOTAL	\$73,250	\$110,499	\$1,105	\$1,105	\$1,105	\$187,064

Summary of Proposed STIP Program

1. Interstate 5 (I-5) North Coast Corridor (NCC): This project proposes to fund design and right-of-way from Palomar Airport Road to SR 78 and construction of 2 High Occupancy Vehicle (HOV) lanes from Birmingham Drive to SR 78. Additional elements of work include soundwalls, bike paths, and required landscape mitigation. This proposal is consistent with action taken by the Board of Directors at its September 22, 2017, meeting, to increase the NCC budget by \$384.9 million, with additional funding anticipated to be sought through the 2018 STIP and subsequent SB 1 formula and discretionary programs. Total proposed 2018 STIP funding is about \$162.4 million.
2. Regional Planning, Programming, and Monitoring: Regions are eligible to program up to 5 percent for PPM. SANDAG historically has programmed less than the maximum PPM allowed in order to provide more funds to capital projects. Staff proposes to program \$1.1 million annually for the FY 2020 to FY 2023 period, continuing the previously approved amount for FY 2019. Activities supported by these funds in the upcoming years include development, completion, and implementation of the Regional Transportation Plan. This amount represents 3.9 percent of county shares, an increase over the 3 percent previously programmed, and below the 5 percent limit. Total proposed 2018 STIP funding is about \$5.5 million.
3. Advanced Project Development Element – Interstate 15/SR 78 HOV Direct Connector: This *TransNet* program project proposes to construct HOV connectors and operational improvements on Interstate 15 (I-15) and SR 78 to provide HOV system connectivity and reduce congestion. The project initiation document was completed in March 2015 and staff proposes to utilize the APDE to complete the environmental phase of work. The environmental document would evaluate express lanes on SR 78 from the connector to just west of the Twin Oaks Valley overcrossing, as well as auxiliary lanes, to help relieve congestion at this location and enhance operations of the I-15 managed lanes. The total estimate and proposed 2018 STIP APDE funding for the environmental document is \$7 million. The total cost estimate for the project ranges from approximately \$238 million to \$318 million.
4. Advanced Project Development Element – Interstate 805/State Route 52 Auxiliary Lanes: This operational improvement project encompasses one northbound and one southbound auxiliary lane between Governor Drive and the Interstate 805 (I-805)/State Route 52 interchange to alleviate peak period delays in this heavily congested corridor. The project was environmentally cleared as part of the *TransNet* I-805 North project in December 2010, and staff proposes to utilize the APDE to complete the design phase of work. The total cost estimate for the project is approximately \$41 million, and the estimate and proposed 2018 STIP APDE funding for the design phase is \$4.2 million. Looking forward, this project potentially could qualify for State Highway Operation and Protection Program funding for construction.
5. Advanced Project Development Element – State Route 94/State Route 125 Connector: This *TransNet* program operational improvement project proposes to construct a freeway-to-freeway connector from southbound State Route 125 to eastbound State Route 94. Currently traffic must use local streets to complete this move, causing traffic at local intersections to exceed capacity during peak hours. The project was environmentally cleared in December 2015 and staff proposes to utilize the APDE to complete the design phase of work. The total cost estimate for the project is approximately \$104 million, and the estimate and proposed 2018 STIP APDE funding for the design phase is approximately \$7.9 million.

Social Equity

SANDAG, as a recipient of federal funds, is obligated to assure nondiscrimination in all of its programs and activities; that no programs administered or projects implemented by SANDAG lead to discrimination based on race, color, national origin, sex, age, disability, or income status. For the projects identified for STIP

funding, including APDE, the environmental phase of work included or will include analyses to ensure compliance with Title VI of the Civil Rights Act and other relevant state and federal laws. At this point, all but one of the projects proposed for funding have undergone the analysis and it has been determined that none of them will result in disproportionately high and adverse effects to low-income or minority populations. The project that has yet to complete the environmental phase is the I-15/SR 78 HOV Direct Connector project.

Any disproportionately high and adverse effects that may occur as a result of the proposed I-15/SR 78 HOV Direct Connector project on minority and low-income populations would be identified during the environmental phase of that project and addressed.

Next Steps

The 2018 STIP proposal would program funds primarily in the first two years of the STIP period. Once all regions have submitted their STIP proposals, the CTC will determine how much, if any, would need to be shifted from the proposed program years. The CTC may request that the programming proposals be delayed to better fit the statewide programming capacity. SANDAG staff will work with CTC staff regarding the I-5 NCC and APDE proposals in order to maintain the projects' schedules.

The deadline to submit STIP proposals to the CTC is December 15, 2017. CTC staff recommendations are anticipated to be released in spring 2018 with the STIP scheduled for adoption in March 2018. Substantive changes to the programming recommendation would be brought back to the Transportation Committee and Board of Directors for further discussion and approval.