

Memorandum

To: Chairman and Commissioners

Date: March 8, 2004

From: Diane C. Eidam

**File No:
Book Item 2.1e
Action**

Ref: Project Application for the CalTrain Extension to Monterey County Project

Issue:

Should the Commission:

- Approve the Transportation Agency for Monterey County application for \$3,000,000 in Proposition 116 (PUC 99638) from the \$17,000,000 authorized?
- Approve the County's request to waive the Commission's 5% limitation on project development activities and allow approximately 9 percent for this work? A total of \$932,187 in Proposition 116 funds is being requested for project development activities, of which, \$352,187 will be used as match for federal New Starts to complete the alternatives analysis and conceptual design, and the remaining \$580,000 will be used for Plans, Specifications, and Estimates.

Recommendation:

Commission staff has reviewed the Proposition 116 application, as well as subsequent clarifications that appear to meet all basic requirements specified in Proposition 116, as well as the Commission's policies and guidelines. Staff recommends that the Commission approve the attached resolution, which would grant approval of the Transportation Agency for Monterey County application for \$3,000,000 for the CalTrain to Monterey project and waive the Commission's policy regarding 5% for project development work.

Background:

Proposition 116 in PUC Section 99638 authorizes \$17,000,000 for allocation by the Commission to Monterey County for the following:

- (a) Extension to CalTrain service.
- (b) Other rail projects within Monterey County.

In August 2003, the Commission approved PA-03-06 for the Transportation Agency for Monterey County (TAMC) for \$9,370,000 to purchase right of way for the San Francisco-Monterey Intercity Rail Service project.

In February 2004, the Commission received an application for \$3,000,000 of which \$932,187 will be used for project development activities on the CalTrain Extension to Monterey project. The TAMC has requested a waiver of the Commission's policy regarding a 5% limitation on preconstruction due to the probable loss of Traffic Congestion Relief Program (TCRP) funds. It had been the Agency's intent to use

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TCRP funding for the match to federal funds; however, due to the possible loss of the Program TAMC is requesting to use Proposition 116 funds as the match for federal New Starts. This match will leverage almost \$1 million in federal funding to enter into the PS&E phase. Staff has reviewed the request regarding the waiver of the 5% and based on the total allocation amount of \$17 million provided to Monterey County, and that the project limits of this project overlap with the project limits of the Intercity Rail project; that there is a high possibility that the TCRP funds for Monterey will be lost, that the cost of project development activities have significantly increased over the last 10 years when the Commission's policy was adopted, staff deems the TAMC's request for a 9% project development costs from the Proposition 116 Program to be reasonable.

To date, the Transportation Agency for Monterey County has programmed \$9,820,000 in Proposition 116 funds for project development and right of way acquisition for the San Francisco to Monterey Intercity Rail Line. This request is to program \$3 million for the CalTrain extension to Monterey, which will leave an unprogrammed balance of \$4,180,000. TAMC has indicated that the remaining funds will be used for construction costs on the San Francisco to Monterey Intercity Rail Line in the near future. TAMC has expended \$9,688,475 of the \$9,820,000 that has been allocated.

Approval of the attached resolution will program \$3 million for the CalTrain Extension to Monterey and waive the 5% limitation on project development activities and allow approximately 9 percent for the project development work.

CALIFORNIA TRANSPORTATION COMMISSION

Commission Project Application Approval
Transportation Agency for Monterey County
CalTrain Extension to Monterey

Resolution #PA-04-

- 1.1 WHEREAS, in June 1990 the voters approved Proposition 116, the Clean Air and Transportation Improvement Act, for \$1.99 billion for rail and mass transportation purposes; and
- 1.2 WHEREAS, the California Transportation Commission is designated in Proposition 116 to oversee the five grant programs over the 20-year term of the Proposition; and
- 1.3 WHEREAS, Proposition 116 calls for the Commission to establish an application process and to develop and adopt guidelines to implement those programs; and
- 1.4 WHEREAS, Proposition 116 establishes as a purpose of the application process that it "facilitate implementation of improved cost-effective transit service to the maximum number of Californians and to prevent the funds provided for by this part from being spent on needlessly costly features"; and
- 1.5 WHEREAS, Proposition 116 requires applications to specify full and complete capital plans, financial plans, and operating plans, including schedules and funding sources; and
- 1.6 WHEREAS, in August 1992 the Commission adopted revised policy and application guidelines (#G-91-17, policy provision #22) that require a grant applicant to certify that if the project cost exceeds the amount proposed by the grant applicant, then the grant applicant shall cover the cost increase with local, federal or private funds; and
- 1.7 WHEREAS, the financial plans include a back-up funding plan, should the project exceed the cost approved by the Commission the increased cost shall be covered by funds other than Proposition 116; and
- 1.8 WHEREAS, in February 2004, the Transportation Agency for Monterey County submitted an application requesting \$3,000,000 in Proposition 116 (PUC Section 99638) funds for project development costs to the CalTrain Extension to Monterey, and
- 1.11 WHEREAS, the February 2004, Proposition 116 application from the Transportation Agency for Monterey County requested a waiver of the Commission's policy of a 5% limitation for project development costs; and

- 1.12 WHEREAS, the February 2004, Proposition 116 application from the Transportation Agency for Monterey County, as well as supplemental information has been reviewed by Commission staff, and appears to meet all basic requirements as specified in the Proposition 116 and the Commission's policies and guidelines; and
- 1.13 WHEREAS, the Transportation Agency for Monterey County, has demonstrated that it intends to use \$352,187 of the Proposition 116 funds as required match to federal New Starts funds and \$580,000 for PS&E, which is a total of 9% for project development activities; and
- 2.1 BE IT THEREFORE RESOLVED, that the Commission hereby grants approval of the application from the Transportation Agency for Monterey County for \$3,000,000 in Proposition 116 (PUC Section 99638) funds for the CalTrain Extension to Monterey project; and
- 2.2 BE IT FUTHER RESOLVED, that the Commission hereby waives its policy of the 5% limitation of Proposition 116 funds for project development activities thereby allowing the Transportation Agency for Monterey County to expend 9% of Proposition 116 funds on project development work; and
- 2.3 BE IT FURTHER RESOLVED, that a Proposition 116 project approval by the Commission reserves the State funding within the Program, and allows project development work to be undertaken by the applicant agency, which will be subject to state reimbursement pursuant to the Commission's "Financial Guidelines for Local Agency Reimbursement" and subsequent fund transfer agreement.