



SAN MATEO COUNTY

**Transportation  
Authority**

# Highway Program Draft Funding Policy Recommendations

September 7, 2017

Board of Directors

Agenda Item #11a



# Outline

- **Recap on the Highway Program funding discussion & the Highway CIP**
- **Recommendation for future fund programming & allocation approach**
- **Other key considerations**
- **Proposed timing of next Call for Projects (CFP)**
- **Next steps**



# Background

- **TA Strategic Plan 2014-2019 identified Highway Program funding shortfall, recommended preparation of a CIP**
- **Fall 2015 – Summer 2017: Highway CIP findings presented, Highway CIP subcommittee met to discuss findings, provide program guidance & policy recommendations for future Call for Projects (CFP) processes**
- **February 2017: Board accepted the Highway CIP & received a presentation on the State Highway System Congestion & Safety Performance Assessment**



# CIP Purpose

- **High-level order of magnitude assessment of costs vs. revenues over a 10-year period, FY2016 to FY2025**
- **Financially unconstrained**
- **Not a programming document**
- **Provided context for future Measure A investment decisions**
- **Identified key issues and policy considerations to address**



# CIP: Order of Magnitude Findings

## 10-year shortfall (FYs 2016-2025)

- Total project costs: **\$1,587 mil.**
- Total projected funding<sup>1</sup>: **\$631 mil.**
- **Total Shortfall** **\$956 mil.**
  - KCA<sup>2</sup> projected shortfall: **\$252 mil.**
  - SR<sup>3</sup> projected shortfall: **\$704 mil.**

### Footnotes

- 1) Total projected funding includes Measure A (\$362m) & sponsor match (\$268.5m)
- 2) KCA = Key Congested Areas
- 3) SR = Supplemental Roadways



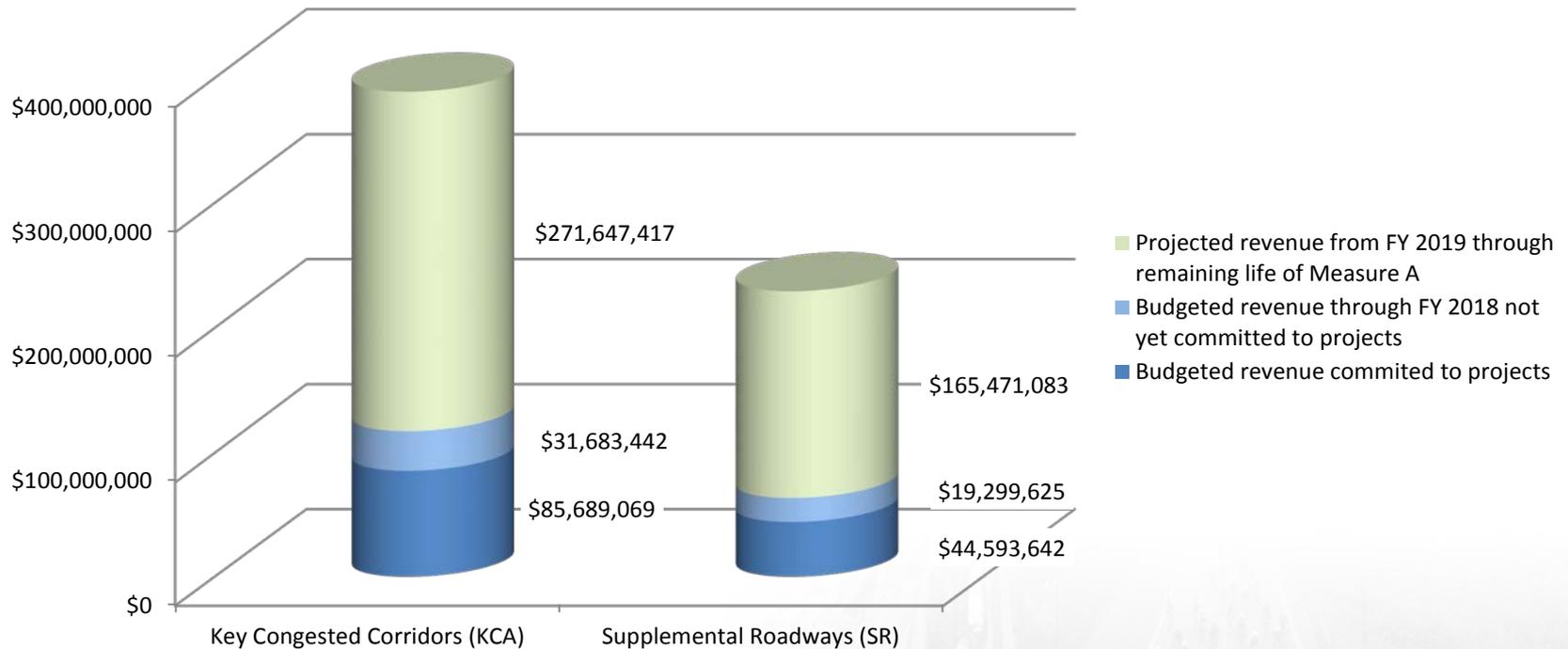
# KCA/SR Categories

**Per the 2004 TEP, 2 highway categories:**

- **Key Congested Areas (KCA)**
  - Designated to receive 17.3% of revenue over life of Measure A
  - Specified candidate list of projects, e.g. I-280, SR1, SR92 & US101
- **Supplemental Roadway (SR) projects**
  - Designated to receive 10.2% of revenue over life of Measure A
  - Partial list of candidate projects critical for congestion reduction; flexibility allows new projects not listed to be added
  - Highway projects not on the KCA list can only be funded as SR projects



# New Measure A Highway Program Funding Status





# Approach for Future Funding Calls - Options

- **Status quo: continue funding calls for all eligible projects; accept projects on 1<sup>st</sup> come, 1<sup>st</sup> served basis until funds run out**
- **Continue funding calls prioritizing Pipeline projects, w/ a small set-aside to fund planning & environmental work for all other projects**
- **Continue funding calls prioritizing Pipeline projects in “hot spots” only, w/ a small set-aside to fund planning & environmental work for all other projects**



# Recommendation

**Continue funding calls prioritizing Pipeline projects, with a small set-aside (up to \$10 mil) for planning & environmental work for other projects**

- **Focuses on completing projects already started, given constrained revenue sources**
- **Pipeline projects with greatest merit will be funded**
- **Provides a compromise between status quo and focusing funding to Pipeline projects in “hot spots” only**



# Measure A Highway Projects in the Project Delivery Process

## Key Congested Area (KCA) Projects

<i>Project Name</i>	<i>Sponsor</i>
US 101 Broadway Interchange Improvements	Burlingame
US 101/SR 92 Interchange Area Improvements	C/CAG
SR 92 Delaware Interchange Improvements	C/CAG
US 101/University Avenue Interchange Improvements <sup>1</sup>	East Palo Alto
US 101/Willow Road Interchange Improvements	Menlo Park
SR 1 Safety & Operational Improvements: Poplar to Wavecrest <sup>1</sup>	Half Moon Bay
SR 1 Safety & Operational Improvements: Main to Kehoe <sup>1</sup>	Half Moon Bay
SR 92 Safety & Operational Improvements: SR 1 to Pilarcitos Creek <sup>1</sup>	Half Moon Bay
US 101/Woodside Road Interchange	Redwood City
SR 92/SR 82 (El Camino Real) Interchange Project	San Mateo
US 101/Peninsula Avenue Interchange	San Mateo

## Supplemental Roadway (SR) Projects

<i>Project Name</i>	<i>Sponsor</i>
US 101/Candlestick Point Interchange	Brisbane
US 101 Auxiliary Lane Project	C/CAG
US 101 Managed Lanes Project <sup>2</sup>	C/CAG-TA
SR 1 (Mid Coast) Congestion, Throughput and Safety Improvements	County of San Mateo
SR 1 Calera Parkway Project <sup>1</sup>	Pacifica
I-380 Congestion Improvements	San Bruno-South San Francisco
SR 35 Widening: I-280 to Sneath Lane	San Bruno-South San Francisco
US 101/Holly Street Interchange Improvements	San Carlos
US 101/Produce Avenue Interchange	South San Francisco

### Footnotes:

- 1) These projects are on an inactive list & may be subject to reprogramming
- 2) The US 101 Managed Lanes Project was formerly referred to as the US 101 HOV Lane Project



# Proposed Match Requirement

- **Require a minimum funding match with future funding calls to better leverage Measure A investments**
- **Options under consideration:**
  - **Minimum 10% match for all project phases**
  - **Minimum 10% match prior to env. clearance, minimum 20% match for PS&E, ROW & construction**
  - **New facilities (e.g. 101/Candlestick & 101/Produce) to include funding plan that shows match proportionate to need generated from new development**



# Recommendation

- **Require a minimum 10% match prior to env. clearance, minimum 20% match for PS&E, ROW & construction**
- **New facilities should provide match proportionate to need generated from new development for PS&E, ROW & construction**
  - **Leverages constrained Measure A revenue**
  - **Sponsors can apply for other external funds in addition to using local funds as match**
  - **New development pays its fair share to help mitigate for needs it generates**



# Other Key Considerations

- **Prior to programming funds for PS&E and ROW, sponsors need to provide a reasonable funding plan for construction as the cost of PS&E & ROW can be significant**
- **Assessment on need to borrow from other Measure A programs &/or bond against future sales tax receipts will be made after funding recommendations are made from the next CFP**
- **Enforce timely use of funds policy**
  - **Funds may be reprogrammed after 5 years of inactivity**



# Timing of Next Funding Call

- **Measure A Highway Program funds can help projects be more competitive for State SB 1 awards scheduled for Spring 2018**
- **Proposed Measure A Call for Projects: Fall 2017**
- **Measure A funding awards: Early 2018**
- **Amount of funds available now: Approx. \$50 mil. + \$25 mil. cost savings to leverage external sources**
- **Work must be ready to start w/in 12 months of funding award**



# Next Steps

- **September 2017: Action item on recommended policy revisions**
- **October 2017: Presentation on the release of the 2017 Highway Program Call for Projects**
- **November/December 2017: Proposed reprogramming of inactive projects**
- **January 2018: Information item on recommended project funding awards**
- **February 2018: Action item for project funding awards**

