



JANUARY 29, 2009

AGENDA ITEM # **12**

REVISED STRATEGY FOR IDENTIFYING CANDIDATE PROJECTS FOR THE STATE LOCAL PARTNERSHIP PROGRAM

Action Requested: Approve a revised preliminary allocation procedure

Key Staff: Brian Williams, Executive Director

Recommendation

Approve a revision to the preliminary procedure for allocating State Local Partnership Program funds to transportation projects in Sacramento County during the next 4½ years.

Background

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act—approved by California voters as Proposition 1B in November 2006—authorizes \$1 billion of bond revenues to be deposited into the State Local Partnership Program (SLPP) Account. The California Transportation Commission (CTC) will allocate these funds over a 4½-year period to eligible transportation projects nominated by local transportation agencies. Most of the funds (95%) will provide a dollar-for-dollar match of locally-generated transportation sales tax and toll revenues. As administering agency for the Measure A transportation sales tax program, the STA is eligible to apply for SLPP funding for the construction of Measure A capital projects and the acquisition of related transportation equipment.

Project nominations for the initial distribution of SLPP funds are due to the CTC by February 17, 2009. CTC has calculated STA's proportional share of this initial distribution as \$7,214,000. Future-year project nominations will be due by August 15 of each year. It is anticipated that STA's future-year share amounts will not vary much. As such, staff estimates that the cumulative amount of SLPP funds available to STA through 2012 will be about \$36 million.

Discussion

Rather than issue an annual Countywide call for projects for approximately \$7 million of SLPP funds each year, your Board last month directed staff to work with local transportation agencies to craft a 4½-year, \$36 million program of SLPP projects from which to submit future-year project nominations. This program will provide for the County and each city to receive a formula share of these funds—based 75% on population and 25% on paved street mileage—over the 4½-year period, with an \$8 million cumulative set-aside for Regional Transit and a \$1 million set-aside for Paratransit, Inc. (*see table on next page*). The timing of when during the 4½-year term a jurisdiction's project application(s) is submitted to the CTC will depend on the anticipated delivery schedule of the affected Measure A project.

Staff originally proposed to work with the local transportation agencies to prepare a draft Sacramento County SLPP programming document for consideration at today's (Jan. 29) STA Board meeting. We also expected to seek authority to submit project nominations to the CTC for the initial \$7.2 million available for allocation to Sacramento County entities during FY 2008-

09. As stated above, the first set of formal project applications is due to the CTC by February 19, 2009.

**Table 1 – State Local Partnership Program in Sacramento County
Proposed Distribution by Entity (2009-2012)**

	Population		Lane Miles		75 / 25 Formula	
		%		%	\$	%
Citrus Heights	87,321	6.13	458	4.06	1,539,000	5.7
Elk Grove	139,542	9.80	978	8.68	2,592,000	9.6
Folsom	72,590	5.09	675	5.99	1,296,000	4.8
Galt	23,913	1.68	169	1.50	459,000	1.7
Isleton	817	0.06	13	0.12	27,000	0.1
Rancho Cordova	60,975	4.28	526	4.67	1,188,000	4.4
Sacramento	475,743	33.40	3,025	26.84	8,586,000	31.8
Uninc. County	563,514	39.56	5,428	48.15	11,259,000	41.7
subtotal	1,424,415		11,272		≈27,000,000	
Regional Transit					8,000,000	
Paratransit, Inc.					1,000,000	
total					≈36,000,000	

We are now recommending that the STA postpone the effort to craft the 4½-year program of SLPP projects until later in 2009, and that we formally request the CTC to rollover STA’s initial \$7.2 million SLPP allocation until the next due date for project nominations (August 15, 2009). The cumulative amount for allocation at that time would be about \$14.4 million. Considering the state’s precarious financial circumstances along with the condition of the national financial markets, it is very unlikely that the bonds needed to fund the SLPP program will be sold during the next few months. It is becoming increasingly likely, however, that a national economic stimulus package based on substantial new infrastructure spending will soon be implemented. Some informal estimates indicate that the stimulus package may deliver over \$100 million for transportation capital and maintenance projects in the Sacramento region during the next two years.

In sum, the current environment for transportation funding and programming is extremely unsettled. Staff feels that a multi-year Countywide SLPP program adopted at this time would have to be substantially revised in the months ahead.