

AGENDA: March 2, 2017

TO: Regional Transportation Commission (RTC)
FROM: Rachel Moriconi, Senior Transportation Planner
RE: Regional Transportation Improvement Program (RTIP) Amendments

RECOMMENDATION

Staff recommends that the Regional Transportation Commission:

1. Direct staff to work with the California Transportation Commission (CTC) and project sponsors to maximize use of FY17/18 State Transportation Improvement Program (STIP) funds; and
 2. Adopt a resolution ([Attachment 1](#)) amending the *2016 Regional Transportation Improvement Program (RTIP)* to:
 - a. Update project scope, schedule, or funding information, as requested by project sponsors, including a major scope amendment to change the Harkins Slough Road Interchange project to a bicycle/pedestrian bridge over Highway 1;
 - b. Shift funds between previously approved projects or phases of projects in order to maximize use of FY17/18 State Transportation Improvement Program (STIP) funds, pending concurrence from the California Transportation Commission (CTC); and
 - c. Program an additional \$800,000 in Regional Surface Transportation Program Exchange funds (RSTPX) to the Highway 1 Soquel-Morrissey Auxiliary Lanes project based on final construction costs.
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BACKGROUND

The Santa Cruz County Regional Transportation Commission (RTC), as the state-designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County, is responsible for selecting projects to receive certain state and federal funds. The *Regional Transportation Improvement Program (RTIP)* for Santa Cruz County lists transportation projects which have been selected by the RTC to receive those funds. The RTIP is typically adopted every two years. Interim amendments are made as needed.

As set forth in the RTC's *Rules and Regulations*: Local project sponsors are required to obtain RTC concurrence in allocation, extension, amendment or other requests for proposed changes to projects listed in the *Regional Transportation Improvement Program (RTIP)* prior to submittal of such request to Caltrans and the California Transportation Commission (for STIP projects) or AMBAG (for federally funded projects included in the Metropolitan Transportation Improvement Program (MTIP)). Concurrence shall be handled administratively by RTC staff unless substantive

project issues (such as major schedule changes, requests for additional funds, major scope changes, or adding or deleting projects) require that concurrence be authorized by RTC board action, during a public meeting. Changes to the program cannot be to the detriment of other projects/programs included in the program and must not negatively impact air quality conformity determinations made on the MTIP, based on Caltrans policy.

DISCUSSION

Project sponsors have submitted updated scope, schedule, or funding information for several projects that were previously approved for State Transportation Improvement Program (STIP) or Regional Surface Transportation Program (RSTP)/Surface Transportation Block Grant Program (STBG) funds by the RTC. **Staff recommends that the RTC adopt a resolution (Attachment 1) amending the *2016 Regional Transportation Improvement Program (RTIP)* to update project scope, schedule, or funding information for previously approved projects** (as shown in Exhibit A and summarized in Attachment 2). Project amendments approved by the RTC related to State Transportation Improvement Program (STIP)-funds are subject to concurrence from the California Transportation Commission (CTC), which makes the final determination on which projects are programmed to receive STIP funds, what year they are programmed, and when to release (allocate) funds to individual projects.

Maximizing FY17/18 STIP Funds

STIP-funded projects are subject to strict CTC established deadlines. If a project sponsor does not receive an allocation within the year in which STIP funds are programmed, the funds lapse, are lost to the project, and typically are not available for reprogramming by the RTC until the last years of the next STIP cycles (approximately 5-6 years out). If a project sponsor anticipates that it will not meet a deadline in the next fiscal year, the sponsor can ask the RTC and CTC to amend the RTIP and STIP, respectively, to push the programmed funds to a later year to reflect updated project schedules. When a project sponsor is unable to anticipate delays one year in advance, the sponsor may request a less certain one-time STIP-allocation extension. These actions implement the SB 45 requirement that RTIPs and the STIP reflect updated information by which projects will be monitored and held accountable. Staff regularly reviews with project managers the schedules for projects that have been approved for funds by the RTC to determine if any projects are experiencing delays and therefore require amendments or extensions.

Three projects programmed to receive STIP funds in Fiscal Year (FY) 17/18 are experiencing delays: Highway 1/9 Intersection Modifications (SC25), Highway 1 41st Ave. to Soquel Ave. Auxiliary Lanes and Chanticleer Bike/Pedestrian Bridge (RTC 24f); and the Highway 1 Bicycle/Pedestrian Crossing at Mar Vista Drive (RTC30). Additional information on the status of these projects and reasons for the delays is provided in Attachment 3.

In order to maximize use of available STIP funds as quickly as possible and ensure that no funds are lost to the region, **staff recommends that the RTC direct staff**

to work with project sponsors and the CTC to shift FY17/18 STIP, STBG/RSTP, future STIP, or local funds between previously programmed projects or phases of projects. Exhibit A and Attachment 2 summarize these proposed amendments. Staff has worked with project sponsors to ensure that changing the “color” of funds does not reduce total RTC-controlled funds (STIP/STBG/RSTPX) programmed to any agency. CTC staff has indicated that they are supportive of these actions. This action would also provide the RTC with the flexibility to consider (at a future meeting) using FY17/18 RSTPX/STBG funds for urgent storm damage repairs, if state and federal emergency funds are not available.

Highway 1/Harkins Slough Road Project

In May 2016, due to a drop in gas tax revenues, the CTC deleted \$750 million in STIP funds previously committed to projects statewide. In Santa Cruz County, the CTC deleted \$6.74 million previously programmed for construction of the Highway 1/Harkins Slough Road Project. The CTC maintained \$600,000 in STIP for right-of-way in FY18/19. In response to the deletion of \$6.74 million, the RTC committed to reprogramming future STIP funds and/or future Surface Transportation Block Grant Program (STBG) funds to a project at the Highway 1/Harkins Slough Road Interchange, if Watsonville does not secure Active Transportation Program (ATP) funding. (*Action taken at the RTC’s May 2016 meeting.*)

The RTC and CTC first programmed STIP funds for the Highway 1/Harkins Slough Road Interchange Project in 1998. As discussed at past RTC meetings, the City of Watsonville and Caltrans have been re-evaluating the purpose, need and scope of the project and now propose to construct a new bicycle/pedestrian bridge over Highway 1 instead of a new interchange (Attachment 4). With formalization of this scope change, environmental review is expected to begin in July 2017. Construction is scheduled for 2022.

CTC staff has indicated it would prioritize deleted projects for reprogramming in the 2018 STIP (which covers FY18/19-22/23). Since the project is now a bicycle-pedestrian project, it is also eligible for the state’s Active Transportation Program (ATP). This project scored just below the cut-off line for ATP funds in the fall of 2016, but is a strong candidate for future ATP funds. In order to kick start the project and increase its chances of securing ATP funds in the future, **Watsonville and RTC staff recommend amending the project scope and shifting the \$600,000 STIP currently programmed for ROW to environmental review and adding an additional \$300,000 STIP in FY17/18** (from STIP funds freed up by delayed projects, which will receive STBG funds instead). The RTC’s commitment to programming the balance (\$6.44 million) in future STIP and/or future STBG funds to the project would still stand, if Watsonville does not secure Active Transportation Program (ATP) funding.

Highway 1 Soquel-Morrissey Auxiliary Lanes

Based on the negotiated settlement of a lawsuit filed by the construction contractor over outstanding claims of differing site conditions for the Highway 1 Soquel-

Morrissey Auxiliary Lanes project, **staff recommends that the RTC shift \$199,825 in previously programmed RSTPX funds for the environmental review and design phases to the construction phase, program an additional \$800,000 in RSTPX funds to the construction phase of the project**, make the necessary amendments to the FY 2016-17 RTC budget to close out the project and authorize the Executive Director to close out the project. This includes costs of attorney fees, mediation, negotiations, RTC staff time, and settlement agreements.

What's Next?

The CTC will consider amendment requests for STIP funds at its June meeting. If the CTC does not shift funds between projects as requested, the color of funds for specific projects would be reverted to how they were originally programmed by the RTC, with the CTC to instead just shift funds from FY17/18 to FY18/19, to reflect current project schedules.

Notably, if the state legislature and Governor approve SB1, AB1, or some other transportation funding proposal, it is possible that additional funds will be available to our region in FY18/19. We will continue to work with partner agencies to maximize early delivery of projects and to situate Santa Cruz County to take advantage of new funds as they become available.

SUMMARY

Staff recommends that the RTC amend the *2016 Regional Transportation Improvement Program (RTIP)* to reflect updates to several previously programmed projects, as requested by project sponsors, maximize use of STIP funds in FY17/18, and program additional funds to Highway 1 Soquel-Morrissey Auxiliary Lanes project.

Attachments:

1. Resolution
 - a. Exhibit A: Proposed Amendments to Previously Approved Projects
2. Summary of STIP-Related Amendments/Funding Swaps
3. Highway Project Schedule Updates
4. Letter from City of Watsonville regarding Harkins Slough Road area project

RESOLUTION NO. **21-17**

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of March 2, 2017
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION AMENDING THE
2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM
FOR SANTA CRUZ COUNTY TO MODIFY PREVIOUSLY PROGRAMMED PROJECTS

WHEREAS, the Santa Cruz County Regional Transportation Commission (RTC) is responsible for programming and monitoring the use of various state and federal transportation funding sources and adopted the *2016 Regional Transportation Improvement Program* on December 3, 2015 consistent with the *Santa Cruz County Regional Transportation Plan* (RTP), state law (including SB 45) and the California Transportation Commission's (CTC) State Transportation Improvement Program (STIP) Guidelines, and in consultation and cooperation with local project sponsors, Caltrans District 5, and RTC advisory committees;

WHEREAS, the RTC has programmed the region's shares of State Transportation Improvement Program (STIP) and Regional Surface Transportation Program/Surface Transportation Block Grant Program (RSTP/STBG) funds to certain projects and reflects those projects and funds in the *Regional Transportation Improvement Program* (RTIP);

WHEREAS, the RTC is responsible for amending the *Regional Transportation Improvement Program* (RTIP) to reflect accurate project scope, schedule and cost; and

WHEREAS, the RTC is the agency responsible for assuring that the regional shares of STIP and RSTP/STBG funds are programmed and expended according to CTC and Caltrans guidelines and programming actions, RTC policy requires local project sponsors to obtain RTC concurrence for changes to RTC-funded projects, including State Transportation Improvement Program (STIP) fund allocation, extension, amendment or other requests to change to the STIP prior to submittal of such requests to Caltrans and the California Transportation Commission (CTC);

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:

1. The *2016 Regional Transportation Improvement Program for Santa Cruz County* is hereby amended to modify project information as summarized in Exhibit A;
2. The California Transportation Commission (CTC) is hereby requested to amend the *State Transportation Improvement Program (STIP)* to reflect updates to STIP-

funded projects and the Association of Monterey Bay Area Governments (AMBAG) is hereby requested to incorporate these actions into the Metropolitan Transportation Improvement Program (MTIP), as appropriate;

3. \$199,825 in previously programmed Regional Surface Transportation Program Exchange (RSTPX) funds for the environmental review and design phases of the Highway 1 Soquel to Morrissey Auxiliary Lanes project are shifted to the construction phase, and an additional \$800,000 in RSTPX funds are programmed to the construction phase of the project; and
4. The FY 2016-17 RTC budget is hereby amended consistent with the programming actions above and the Executive Director is authorized to close out the Highway 1 Soquel to Morrissey Auxiliary Lanes project.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

Zach Friend, Chair

ATTEST:

George Dondero, Secretary

Exhibit A: Proposed Amendments to Previously Approved Projects

Distribution: RTIP files

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2016 Regional Transportation Improvement Program (RTIP)
Proposed Amendments to Previously Approved Projects
For consideration at the March 2, 2017 RTC meeting

Action Summary	Project #	Project	Proposed Amendment
Program new funds	RTC 28	Hwy 1 Auxiliary Lanes: Soquel Ave to Morrissey Blvd	Shift \$199K RSTPX from Environmental Review and Design to Construction and program additional \$800,000 RSTPX to Construction phase, based on final construction costs.
Scope change; shift STIP from ROW to PA/ED, add \$300K	WAT 01	Hwy 1 at Harkins Slough Road Interchange <u>Bike/Pedestrian Overcrossing</u>	Amend scope/title and shift funds from constructing new interchange to a new bicycle/pedestrian bridge over Highway 1. Shift \$600k STIP from ROW to PA/ED and add \$300k STIP in FY17/18. Total RTC commitment to project remains \$7.34M, if Watsonville does not secure Active Transportation Program (ATP) funding. Watsonville to cover balance of project cost with local funds. 5/16 - CTC deleted \$6.74M for construction-could be prioritized for reprogramming in a future STIP. 5/5/16 - RTC committed to program \$6.74 million future STIP and/or future Surface Transportation Block Grant Program (STBG) funds to a project at the Highway 1/Harkins Slough Road Interchange, if Watsonville does not secure ATP.
Schedule change, change fund color	SC 25	Highway 1/9 Intersection Modifications	Move construction funds to FY18/19 to match current schedule, shift \$1M FY17/18 STIP to MBSST Segment 7 to be backfilled with local funds.
Schedule change, change fund color	RTC 24F	Hwy 1 41st Ave-Soquel Ave Auxiliary Lanes and Chanticleer Bike/Ped Bridge	Move design funds to FY18/19 to match current schedule. Change \$1.75M FY17/18 STIP to STBG, move the STIP funds to other projects.
Schedule change, change fund color	RTC 30	Highway 1 Mar Vista Bike/Ped Overcrossing	Move design funds to FY18/19 to match current schedule. Change \$450k FY17/18 STIP to STBG, move the STIP funds to other projects.
Change color of funds	TRL 07SC	Rail Trail: Segment 7 (Natural Bridges to Pacific Ave)	Shift \$1 million in FY17/18 STIP from Hwy 1/9 Intersection project to this project. Update local fund and total project cost information. Project may be constructed in phases depending on bids.
Change color of funds	SC 49	Water St. Pavement Rehabilitation	Trade \$398,000 STBG for STIP funds in FY17/18.
Change color of funds	WAT 42	Green Valley Road Reconstruction (Struve Slough to Freedom Blvd)	Trade \$795,000 STBG for STIP funds in FY17/18.
Change color of funds	SV 28	Glen Canyon Rd/Green Hills Rd/S. Navarra Bike Corridor and Roadway Preservation	Trade \$711,000 STBG for STIP funds in FY17/18.
Schedule change	CAP 11	Clares Street Traffic Calming	Shift \$100K RSTPX to FY17/18. Exact timing TBD. Project delayed to coordinate with utilities and secure additional funds (potentially Meas D and City funds).
Schedule change	CAP 17	Upper Pacific Cove Parking Lot Pedestrian Trail and Depot Park Metro Development	Shift \$200k RSTPX construction funds to FY17/18. Construction scheduled for Fall 2017.

Acronyms:

ROW: Right-of-way; CON: Construction; PA/ED (Env): Project Approval/Environmental Doc; PS&E: Plans, Specifications, and Engineering (design)
 RTIP: Regional Transportation Improvement Program (RTIP)
 STIP: State Transportation Improvement Program (STIP)
 STBG: Surface Transportation Block Grant Program (STBG)
 RSTPX: Regional Surface Transportation Program/Exchange
 ATP: Active Transportation Program
 Projects #: RTC: Regional Transportation Commission; TRL - Trail; WAT: Watsonville; SC: City of Santa Cruz; SV: Scotts Valley
 MBSST: Monterey Bay Sanctuary Scenic Trail Network

Summary of STIP-Related Amendments/Funding Swaps

(March 2017)

Goals: Maximize use of STIP funds currently programmed in FY17/18, ensure no funds are lost, free up more flexible funds. This is a cash management action.

Issue: \$4.5 million in projects currently programmed for STIP in FY17/18 are delayed and will not be able to use those funds until later years. Some projects programmed to receive STBG funds in FY17/18 are also delayed. Concurrently there is a backlog of projects that can be delivered in FY17/18. Given that in some years STIP funds are not reliable, staff recommends maximizing use of STIP funds when they are available. *Amendment requests to shift those funds to later years or other projects are due to Caltrans by March 20 (to be considered by RTC 3/2 and CTC for notice at its May meeting and action in June).*

Delayed STIP Projects - \$4.5 million:

- Highway 1/9: Construction delayed to FY18/19 - \$1,329,000 STIP, \$950,000 STBG. Right-of-way and design taking longer to complete.
- Highway 1 41st-Soquel Aux Lanes: Design delayed to FY18/19 - \$2,570,000 STIP. Additional time needed to respond to comments on draft Tiered environmental document.
- Mar Vista Bike/Ped Crossing over Highway 1: Design delayed to FY18/19 due to more extensive environmental review - \$575,000 STIP, \$75,000 STBG programmed for design.

Proposal: Change the color of funds programmed to previously approved project, in order to maximize use of STIP funds in FY17/18. Rather than just move delayed projects and all of the associated STIP funds to a later year based on current project schedules, staff worked with public works departments to identify previously approved projects that will be delivered in FY17/18 and could use STIP funds. STIP funds from delayed projects will be traded for STBG from projects that can use the STIP funds in FY17/18. CTC staff has indicated that the CTC would be willing to amend the STIP to substitute other projects in FY17/18.

- Change color of funds to STIP (from STBG, RSTPX, or local) for projects that can definitely be delivered (constructed) in FY17/18.
- Ensure changing color of funds/swapping funds does not reduce total RTC-controlled funds (STIP/STBG/RSTPX) programmed to any agency.

STIP Highway Project Schedule Updates

Hwy 1 41st Ave to Soquel Drive Auxiliary Lanes & Chanticleer Bicycle/Pedestrian Crossing

Approval of the Final Hwy 1 Tiered Environmental Document is currently anticipated in Fall 2018. Completion of the environmental documents is taking longer than originally anticipated due to changes in regulatory guidelines and requirements since completion of the technical studies, additional time needed to properly respond to extensive public and agency comments received on the Draft Environmental Impact Report/Environmental Assessment (EIR/EA), and to provide adequate review of the administrative draft Final Environmental Document through various Caltrans (CT) and Federal Highway (FHWA) departments. Significant areas of work since release of the draft documents include the following items:

- Update the Traffic Operations Report with the AMBAG's 2014 growth projections and current travel demand model including current highway and arterial traffic counts to update baseline conditions.
- Natural environment study: itemization of cumulative impacts and initiation of the Biological Assessment and consultation with the Federal Fish and Wildlife Service (USFWS) and the National Oceanic and Atmospheric Administration Office of the National Marine Fisheries Service (NOAA Fisheries) agencies for the Tier 2 project.
- Updated Air Quality Study Report using the updated traffic counts and forecast travel performance measures and characteristics and the current emissions model approved by EPA in December 2015.
- Update of the Growth Impacts Report.
- Update Visual Impact Assessment to update existing conditions following construction of the Hwy 1 Soquel/Morrissey Auxiliary Lanes project and to update view shed from the highway of anticipated built environment conditions.
- Revision to the Cumulative Impact section of the Draft EIR/EA.
- Provide adequate time in the project schedule for iterative review through various Caltrans Divisions (including District & Outside Peer, NEPA/CEQA QA/QC, CT HQ and Legal, and FHWA).

Subsequent project development phases have been delayed by similar time. Critical path to the start of construction is completion of ROW acquisition and utility relocation. The current schedule does not include recirculation of the Draft EIR/EA for which a determination is anticipated by CT & FHWA in July 2017.

Mar Vista Bike/Pedestrian Crossing

The RTC awarded a contract to Moffat and Nichol, Inc. for the environmental phase on November 3, 2016. Site visits and a Project Development Team (PDT) meeting have been held. Focused stakeholder meetings are calendared to begin in April 2017 to identify operation, safety, aesthetic and environmental concerns and develop design options. Public workshop are scheduled for August/September to identify the preferred schematic, at which point

environmental analysis will be conducted consistent with the provisions of NEPA for projects seeking a Categorical Exclusion (CE). Duration of the Project Approval/Environmental Document (PA&ED) process is 18 months assuming impacts to wetlands resources on the mountain side of Hwy 1 can be avoided.

The ROW phase (acquisition of property, temporary construction easements and utility relocation) will be a critical path in moving the project towards construction. The current construction schedule (FY2020/21) assumes RTC will administer the construction contract which can save up to 6 months in the construction award process. Construction is anticipated to take 6 months and will be scheduled to avoid the rain season.

Santa Cruz: Hwy 1/9 Intersection Improvement Project

The City of Santa Cruz requests the RTIP and STIP be amended to shift funds programmed for construction from FY17/18 to FY18/19. This project involves complicated right-of-way modifications, including those which will have an impact on existing leaseholds involving State (Caltrans), City and privately-owned parcels. Once these right-of-way issues have been addressed to the State's satisfaction, the project will be able to finalize design and start construction (estimated Fall of 2018).

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CITY OF WATSONVILLE

"Opportunity through diversity; unity through cooperation"



February 22, 2017

Mr. George Dondero, Executive Director
 Santa Cruz County Regional Transportation Commission
 1523 Pacific Avenue
 Santa Cruz, CA 95060-3911

**Subject: Hwy 1/ Harkins Slough Road Project (WAT01/PPNO 413)
 Project Modification and Reprogramming of Funds**

Dear Mr. Dondero,

Caltrans and City staff have been working together on project evaluation documents for a project at Highway 1/ Harkins Slough Road. While the project was initially envisioned as new on/off ramps to alleviate traffic congestion through Main Street(SR 152)/Green Valley Road, through the Green Valley corridor and improve safety and access, with completion of two bridges in the area, Caltrans and City staff have reevaluated transportation priorities for the area. A new Project Study Report – Project Development Support document for improvements at Highway 1/ Harkins Slough Road was recently completed, including an **updated Purpose and Need: increase bicycle and pedestrian safety over State Route 1 along Harkins Slough Road.** The proposed project includes an accessible bicycle and pedestrian facility that will improve access along this heavily traveled route (which serves Pajaro Valley High School, the slough trail system and existing businesses) by separating bicycles and pedestrians from vehicular traffic and reducing the potential conflicts. While the project has been modified from the original project scope, it remains a top priority for our community.

The City of Watsonville very much appreciates Santa Cruz County Regional Transportation Commission's commitment of future funding to replace the \$6,740,000 in STIP funding that was deleted by the California Transportation Commission (CTC) in May of 2016. We, too, are committed to pursuing grant opportunities and other funding sources to ensure a fully funded project.

In light of the updated project scope, the City of Watsonville requests that the **scope of the project be modified to reflect current project description: Construction of Accessible Pedestrian/Bicycle Facility over Highway 1.** Additionally, with the upcoming work associated in the Project Approval and Environmental Document phase, the City requests that **\$600,000 in STIP funding currently programmed for Right of Way be shifted to PA/ED (environmental review), and \$300,000 of the \$6,740,000 committed by the RTC be added for a total of \$900,000 in STIP for PA/ED,** as this next phase is estimated at over \$1 M.

If you have any questions or if additional information would be helpful, please contact Maria Esther Rodriguez, Assistant Public Works and Utilities Director, at (831) 768-3112.

Sincerely,

Steve Palmisano
 Director, Public Works and Utilities Department
 C: Luis Duazo, Caltrans