

Metropolitan Transportation Commission Programming and Allocations Committee

January 14, 2009

Item Number 4b

Proposition 1B Suspension: Bay Area Projects at Risk

Subject: Proposition 1B Suspension – Bay Area Projects at Risk

Background: In December 2008, the Pooled Money Investment Board (PMIB) suspended reimbursement for all Proposition 1B funded projects. This suspension freezes roughly \$1 billion in bond funds to over 90 projects in the Bay Area. This memo and attachments outline the projects immediately at risk and provide some options to avoid halting projects already under construction

Proposition 1B, approved by California voters in November 2006, authorized the issuance of approximately \$20 billion of general obligation bonds for transportation purposes. Through various discretionary and formulaic programs, the Bay Area has secured roughly \$5.5 billion of the total bond amount to date.

Summary: The Proposition 1B suspension is due to the state's current budget crisis and the lack of demand in the municipal bond markets. Depending on the outcome of state budget negotiations and broader economic conditions, Proposition 1B reimbursements could be delayed for several months. If state bond funds began to flow by September 2009, most projects listed in *Attachment A* would still be able to move forward, albeit subject to delays and potential cost increases.

Based on staff contact with numerous transit agencies, the Proposition 1B suspension will delay vehicle procurements, transit amenities, and capital expansion projects. Project development work for the San Francisco Muni Central Subway, eBART and other projects may need to be suspended or slowed down to meet available cash flow. Agencies without alternative fund sources to backfill the bond funds may be forced to delay or suspend procurements or projects.

However, the highway projects already awarded, listed in *Attachment B* and mapped in *Attachment C*, are subject to more immediate risk, including contract termination, suspension of work, delays due to loss of the construction season, and significant cost increases due to contractor penalties. The state has not committed any funding to address cost increases due to the suspension of Proposition 1B. Staff has developed four concepts to consider in addressing this situation.

- 1) Renew Limited PMIB Reimbursement:** The Pooled Money Investment Board is scheduled to meet again on Friday, January 16th, to consider whether to permit a limited amount of reimbursements to take place for projects already under construction.
- 2) Request Contractors Accept Delayed Payment:** Caltrans is currently reviewing projects currently under construction and projects that have awarded contracts. Based on project cash flow needs, Caltrans will request that contractors adjust payment schedules to accommodate delayed reimbursements.

However, this option would result in cost increases due to delays and interest owed to contractors.

- 3) **Advance Other Funds Committed to Projects:** In most cases, projects at risk are funded with multiple fund sources including: local sales tax funds, bridge tolls, federal funds, non-bond state funds, and other sources. Sponsors are reviewing whether these funds could be accelerated allowing the bond funds to become the “last in” fund source.
- 4) **Short-term Construction Note Sale:** Staff from BATA and other major transportation debt issuers in California are discussing with Caltrans the possibility of investing in short-term notes that would be issued by the state as a means of providing “bridge funding” to Proposition 1B projects already underway or scheduled for award in the next several months.

Recommendation: For information and discussion.

Attachments: Bay Area Highway Projects Affected by PMIA Suspension: Short Term Impacts
List of Bay Area Projects Affected by PMIA Suspension

Attachment A

Bay Area Transportation Projects Affected by PMIA Suspension

(all figures in millions)

County	Description	Bond Funds	Total Cost	Bond Source
Alameda	Ballena Blvd	\$0.1	\$0.5	Loc Bridge
Alameda	Emeryville Station and Track Improvements	\$10.0	\$10.0	IC Rail
Alameda	I-580 / Isabel Interchange (Seg. 1, Realignment)	\$24.6	\$37.4	CMIA
Alameda	I-580 / Isabel Interchange (Seg. 2, Local Roads)	\$3.9	\$7.3	CMIA
Alameda	I-580 / Isabel Interchange (Seg. 3, Interchange)	\$31.5	\$52.2	CMIA
Alameda	I-580 Eastbound HOV Lane Project (Seg. 1)	\$44.6	\$47.4	CMIA/SHOPP/STIP
Alameda	I-580 Eastbound HOV Lane Project (Seg. 2)	\$43.9	\$58.6	CMIA/SHOPP/STIP
Alameda	I-580 Traffic Detection	\$1.6	\$1.6	SHOPP
Alameda	I-680 in Fremont, from Rt 238 - Koopman Rd, rehab pavement	\$30.1	\$30.1	STIP/SHOPP
Alameda	I-680 in Fremont, from Scott Crk Rd - Grimmer Bl., rehab pvmt	\$17.5	\$17.5	SHOPP
Alameda	I-680 Sunol Grade HOV SB	\$38.8	\$38.8	STIP/IIP; SHOPP
Alameda	I-680 Sunol Grade SB HOV Lane Phase 3 (HOT Integrator)	\$8.0	\$8.0	STIP/RIP
Alameda	I-80 Integrated Corridor Management	\$76.7	\$80.7	CMIA/TLSP
Alameda	In San Leandro, Citywide ATMS Expansion	\$0.4	\$0.6	TLSP
Alameda	LAVTA Route 10 Rapid Bus (BRT) Project	\$0.4	\$18.1	Public Transportation
Alameda	Local Streets and Roads Improvements	\$10.3	\$10.3	Local Streets and Roads
Alameda	Redwood Rd	\$0.1	\$0.1	Local Streets
Alameda	SR-24 Traffic Detection	\$1.2	\$1.2	SHOPP
Alameda	Union City Transit - Bus Purchase	\$0.2	\$0.9	Public Transportation
Alameda, Contra Costa	Rolling Stock Procurement	\$9.1	\$27.8	Public Transportation
Contra Costa	BART Intermodal Access Improvements at West County BART Stations	\$0.5	\$0.9	Public Transportation
Contra Costa	BART Pittsburg/Bay Point Station Improvements	\$0.3	\$0.4	Public Transportation
Contra Costa	Bollinger Canyon	\$0.5	\$0.5	Local Streets
Contra Costa	Central Contra Costa BART Crossover	\$5.0	\$37.0	Public Transportation
Contra Costa	County Connection Bus Purchase	\$1.9	\$18.8	Public Transportation
Contra Costa	County Connection Bus Stop Access and Amenity Improvements - Martinez	\$0.1	\$0.1	Public Transportation
Contra Costa	County Connection Rolling Stock Replacement	\$0.8	\$18.8	Public Transportation
Contra Costa	Crow Canyon	\$0.3	\$0.3	Local Streets
Contra Costa	eBART	\$6.0	\$503.4	Public Transportation
Contra Costa	Local Streets and Roads Improvements	\$6.8	\$6.8	Local Streets and Roads
Contra Costa	SR-24 Caldecott Tunnel Fourth Bore	\$206.0	\$367.4	CMIA/STIP
Contra Costa	SR-4 East Widening from Loveridge - Somersville	\$32.0	\$98.2	STIP/RIP
Contra Costa	Tri-Delta Transit Bus Purchase	\$0.9	\$1.1	Public Transportation
Contra Costa	Tri-Delta Transit Bus Shelters and Amenities for Communities of Concern	\$0.2	\$0.3	Public Transportation
Contra Costa	WestCat Bus Purchase	\$0.1	\$0.3	Public Transportation
Contra Costa	WestCat Bus Purchase	\$0.3	\$0.6	Public Transportation
Contra Costa	Ygnacio Valley Rd Corridor	\$1.5	\$1.5	TLSP
Marin	Golden Gate Transit Asset Management and Vehicle Fluid Management Systems	\$2.2	\$5.0	Public Transportation
Marin	Golden Gate Transit Bus Purchase (deferred project FY2007-08)	\$0.9	\$6.5	Public Transportation
Marin	Golden Gate Transit Ferry Terminal Public Restroom Facilities Rehabilitation	\$0.9	\$0.9	Public Transportation
Marin	Local Streets and Roads Improvements	\$1.2	\$1.2	Local Streets and Roads
Marin	San Rafael Canal Neighborhood Transit Improvements	\$0.4	\$0.8	Public Transportation
Marin	Sir Francis Drake Blvd	\$0.2	\$0.2	TLSP
Marin	US-101 Traffic Detection	\$3.7	\$3.7	SHOPP
Marin	WB I-580 to NB US-101 Connector Improvements	\$15.3	\$15.3	CMIA
Multiple	BART Stations Modernization Program	\$15.1	\$15.1	Public Transportation
Multiple	State Match to Local Projects - Voter Approved Measures	\$29.0	\$29.0	State/Local Partnership
Multiple	Transit Security Improvements	\$21.4	\$21.4	Transit Security
Napa	Local Streets and Roads Improvements	\$0.8	\$0.8	Local Streets and Roads
Napa	Napa Vine Bus Purchase	\$0.6	\$0.6	Public Transportation

Attachment A

Bay Area Transportation Projects Affected by PMIA Suspension

(all figures in millions)

County	Description	Bond Funds	Total Cost	Bond Source
San Francisco	BART Balboa Park Station Westside Entrance and Walkway	\$1.2	\$4.3	Public Transportation
San Francisco	Franklin, Gough, and Polk St	\$5.1	\$10.2	TLSP
San Francisco	Local Streets and Roads Improvements	\$5.9	\$5.9	Local Streets and Roads
San Francisco	San Francisco MTA Persia Triangle Improvements	\$0.1	\$1.0	Public Transportation
San Francisco	San Francisco MTA Randolph/Farallones/Orizaba Transit Access Improvements	\$0.1	\$0.6	Public Transportation
San Francisco	San Francisco Muni Central Control and Communications	\$1.3	\$94.9	Public Transportation
San Francisco	San Francisco Muni Central Subway	\$30.0	\$1,300.0	Public Transportation
San Francisco	San Francisco Muni Interim Line Management Center	\$0.4	\$0.4	Public Transportation
San Francisco	San Francisco Muni Light Rail Operations Control Center Improvements	\$1.3	\$1.3	Public Transportation
San Mateo	Departing Flight Traffic	\$7.2	\$7.2	Other
San Mateo	East Palo Alto Bus Stop Improvements	\$0.1	\$0.1	Public Transportation
San Mateo	Local Streets and Roads Improvements	\$4.9	\$4.9	Local Streets and Roads
San Mateo	SamTrans Bus Replacement Project	\$9.0	\$61.7	Public Transportation
San Mateo	SamTrans Fare Collection Equipment	\$1.7	\$9.6	Public Transportation
San Mateo	SamTrans Van Purchase for Shelter Network	\$0.0	\$0.0	Public Transportation
San Mateo	Smart Corridors ITS Project	\$18.0	\$30.5	STIP/TLSP
Santa Clara	Aldercroft Heights Rd	\$0.1	\$0.9	Loc Bridge
Santa Clara	Caltrain South Terminal Station Project	\$6.8	\$52.0	Public Transportation
Santa Clara	Central Expressway	\$0.1	\$1.0	Loc Bridge
Santa Clara	Citywide Traffic Light Signalization/Synchronization	\$9.3	\$12.4	TLSP
Santa Clara	E. Julian St	\$0.1	\$0.5	Loc Bridge
Santa Clara	E. William St	\$0.0	\$0.3	Loc Bridge
Santa Clara	Local Streets and Roads Improvements	\$12.9	\$12.9	Local Streets and Roads
Santa Clara	Shoreline Blvd	\$0.1	\$0.8	Loc Bridge
Santa Clara	Southwest Exp. Way	\$0.1	\$0.5	Loc Bridge
Santa Clara	US-101, I-880 Traffic Detection	\$2.6	\$2.6	SHOPP
Solano	Bahia Benicia Crossover	\$4.8	\$4.8	IC Rail
Solano	City of Dixon Read-Ride Bus Purchase	\$0.1	\$0.2	Public Transportation
Solano	Fairfield Bus Stop Improvements	\$0.3	\$0.4	Public Transportation
Solano	I-80 HOV HOV Lanes - Pavement Rehabilitation	\$3.4	\$25.6	CMIA
Solano	I-80 HOV Lanes from I-80/I-680/SR-12 to Putah Creek	\$29.5	\$29.6	CMIA
Solano	Local Streets and Roads Improvements	\$3.1	\$3.1	Local Streets and Roads
Solano	Suisun City/City of Fairfield DART Paratransit Replacement Vehicles	\$0.1	\$0.1	Public Transportation
Solano	Traffic Detection	\$1.7	\$1.7	SHOPP
Solano	Vacaville Bus Shelters	\$0.1	\$0.1	Public Transportation
Solano	Vacaville City Coach Bus Purchase	\$0.2	\$2.4	Public Transportation
Solano	Vallejo - Install Bus Shelters and Stops	\$0.4	\$0.5	Public Transportation
Sonoma	Healdsburg Bus Purchase	\$0.1	\$0.1	Public Transportation
Sonoma	In Santa Rosa, on Steele Ln / Guerneville Rd, Traffic Synch.	\$1.1	\$1.1	TLSP
Sonoma	Local Streets and Roads Improvements	\$2.8	\$2.8	Local Streets and Roads
Sonoma	Santa Rosa CityBus BusPurchase	\$0.9	\$2.4	Public Transportation
Sonoma	Sonoma County Transit Bus Purchase	\$0.8	\$7.4	Public Transportation
Sonoma	US-101 HOV Lanes (Central)	\$86.3	\$94.3	CMIA/STIP
Sonoma	US-101 HOV Lanes (Wilfred)	\$48.2	\$69.1	CMIA
Sonoma	US-101 HOV Lanes between Santa Rosa and Windsor (North)	\$57.9	\$86.1	CMIA
Totals:		\$1,067.8	\$3,554.1	

Attachment B: Bay Area Highway Projects Affected by PMIA Suspension: Short Term Impacts

(all figures in millions)

County	Description	Bond Total \$ *	Award Date	Const Total \$ *	Unreimb.* Bond Amt	Caltrans Anticipated Cash Flow Needs			
						Jan-Jun 09	Jul-Dec 09	Jan-Jun 10	Jul-Dec 10
Projects Already Awarded									
Solano	I-80 HOV Lanes from I-80/I-680/SR-12 to Putah Creek	\$29.5	6/4/2008	\$29.6	\$16.1	\$11.0	\$5.1		
Alameda	I-580 Eastbound HOV Lane Project, Segment 1	\$44.5	7/28/2008	\$47.4	\$17.3	\$12.5	\$6.7		
Alameda	I-680 Sunol Grade HOV SB, Segment 1	\$38.8	9/2/2008	\$38.8	\$35.5	\$23.0	\$12.5		
Sonoma	US-101 HOV Lanes between Santa Rosa and Windsor (North)	\$57.9	10/29/2008	\$86.1	\$57.9	\$15.8	\$23.5	\$23.5	\$23.3
Alameda	I-680 Sunol Grade SB HOV Lane Phase 3 (HOT Integrator)	\$8.0	12/18/2008	\$8.0	\$8.0	\$1.3	\$2.5	\$2.5	\$0.8
	Totals:	\$178.7		\$209.9	\$134.8	\$63.6	\$50.3	\$26.0	\$24.1
Projects With Bid Openings but Not Yet Awarded									
Alameda	I-680 Sunol Grade HOV SB, Segment 2	\$23.4	Jan-09	\$34.5	\$23.4	\$13.0	\$14.0	\$7.5	
Alameda	I-680 Sunol Grade HOV SB, Segment 3	\$17.5	Jan-09	\$26.1	\$17.5	\$13.0	\$13.1		
Sonoma	US-101 HOV Lanes (Wilfred)	\$48.2	Jan-09	\$43.0	\$43.0	\$7.0	\$8.3	\$8.3	\$8.3
	Totals:	\$89.1		\$103.6	\$83.9	\$33.0	\$35.4	\$15.8	\$8.3
Projects To Be Awarded in Next Six Months									
Alameda	I-580 Eastbound HOV Lane Project, Segment 2	\$43.9	Mar-09	\$58.6	\$43.9	\$1.7	\$10.1	\$10.1	\$10.1
Alameda	I-580 / Isabel Interchange (Segment 1, Realignment)	\$19.6	Mar-09	\$32.4	\$19.6	\$1.4	\$6.2	\$6.2	\$6.2
Alameda	I-580 / Isabel Interchange (Segment 2, Local Roads)	\$3.9	Mar-09	\$6.0	\$3.9	\$0.5	\$1.5	\$1.5	\$0.9
Alameda	I-580 / Isabel Interchange (Segment 3, Interchange)	\$31.5	Apr-09	\$52.2	\$31.5	\$1.0	\$10.2	\$10.2	\$10.2
Solano	I-80 HOV HOV Lanes - Pavement Rehabilitation	\$3.4	Apr-09	\$25.6	\$3.4	\$12.8	\$12.8		
Marin	WB I-580 to NB US-101 Connector Improvements	\$13.2	Jun-09	\$13.2	\$13.2	\$0.0	\$6.4	\$6.4	\$0.4
Sonoma	US-101 HOV Lanes (Central)	\$38.5	Jul-09	\$83.8	\$38.5		\$15.0	\$18.0	\$19.0
Contra Costa	SR-24 Caldecott Tunnel Fourth Bore	\$157.4	Aug-09	\$313.2	\$157.4	\$0.0	\$5.0	\$30.0	\$40.0
	Totals:	\$311.4		\$585.0	\$311.4	\$17.4	\$67.2	\$82.4	\$86.8
Grand Totals:		\$579.2		\$898.5	\$530.1	\$114.0	\$152.9	\$124.2	\$119.2

* Totals are only for construction capital and do not include construction support, which totals \$67 million for all projects listed.