

Measure C Regional Transportation Program Update
Fiscal Year 2020-21

Summary: The Measure C Regional Transportation Program (Program) includes major highway infrastructure projects approved by the voters when Measure C was extended in 2007. Biannual updates of this Program consider fund balances and encumbrances authorized by the Fresno County Transportation Authority (FCTA or Authority) Board and estimates of all available future revenues and expenditures over the life of the Measure. The Urban and Rural Subprograms are accounted for separately consistent with provisions in the original ballot and Expenditure Plan.

The prioritization of Tier 1 projects was conducted early in the process and projects are funded in accordance with that priority considering logical implementation requirements. Presently there are not enough resources to fully fund the entire Tier I list; however, the Program considers the entire list showing a projected deficit at the end of Measure. There is also an un-prioritized Tier 2 list that was approved in the ballot and the Expenditure Plan that would receive consideration if funding becomes available. Uncompleted projects remaining on the Tier 1 list are allocated resources, in priority order, to obtain environmentally clearance, develop design plans, acquire right-of-way, and proceed to construction. Consistent with the intent stated in the Expenditure Plan, the Program leverages local, state and federal funding sources to maximize project funding for Fresno County taxpayers.

Total anticipated revenues increased \$12,564,000 from the 2017 update of the Program. During this same period, actual project costs declined \$1,271,000 however; total project outlays increased \$36,036,000 due to increased internal borrowing for Regional Transportation Mitigation Fund eligible projects.

Revenues

Sales Taxes are collected and forwarded to the Authority by the State Board of Equalization (BOE). Based on the advice of Authority's Financial Advisor, Montague DeRose, sales tax expectations for 2020-21 were adjusted downward 8.6% to reflect the effects of the current recession. This adjustment lowered sales tax projections for the remaining life of the Program by \$22,246,000. The State Department of Finance (DOF) projects a significantly larger downturn in statewide sales tax, however; the economy is displaying mixed signs regarding the depth and duration of the current recession. Further, DOF projections appear to be on the high side in order to take full advantage of any potential Federal bailout. If a larger adjustment does become required, it could have a significant effect on the ability to deliver the Program on the current schedule.

The California Transportation Commission (CTC) prepares a 4-year State Transportation Improvement Program (STIP) consisting of Regional Transportation Improvement Program (RTIP) that is available to the Fresno Council of Governments (FCOG) for the programming of projects, as well as the Interregional Transportation Improvement Program (ITIP) available to Caltrans District 6 for programming. The CTC is a major funding partner in the planning process and the Fresno COG board has a long-standing policy of dedicating a minimum of 75 percent of STIP revenues to the Measure C Regional Transportation Program. Exemplifying the success of having local funds to leverage state and federal resources, the buildout of State Route (SR) 168 and SR 180 would not have been possible without this partnership. Recent projects jointly funded with Measure C and STIP include SR 180 East, which is nearing completion, and Veterans Blvd, which is currently in various phases of construction. The STIP is updated on a two-year cycle with the current 2020 STIP showing adjusted revenues down by \$4,680,000.

Currently, \$45,346,000 in future STIP funds are dedicated to the North\Cedar phase of the SR99 South Fresno Corridor Project. Future STIP revenues could be affected by the current recession.

The CTC also administrates a Local Partnership Program (LPP) to Self Help Counties that have a local transportation sales tax measure. The LPP provides up to a 50 percent funding match which includes a formula component and a competitive component. The current 3-year formula cycle (2020-21-2022-23) includes \$1,904,000 in additional funding for the final phase of Veterans Blvd. Fresno COG and FCTA staff have submitted an application for competitive LPP funding of \$7,000,000 for the Golden State Corridor Project, and will be holding \$3,808,000 formula funding in reserve for a yet to be determined project(s).

In association with building the High Speed Rail (HSR) track through Fresno, the California High Speed Rail Authority (CHSRA) initially awarded \$28,000,000 to the City of Fresno to build structures spanning the Union Pacific Railroad (UPRR) right-of-way and the HSR right of way at Veterans Blvd. The City of Fresno recently secured an additional \$5,848,000 from the CHSRA for this overcrossing project. In addition, the City was awarded a \$10,541,000 federal BUILD grant for Veterans Blvd. This additional funding along with the previously mentioned LPP allocation fully funds this project

The 2006 ballot and the Expenditure Plan included a provision mandating that the cities and the County implement a Regional Transportation Mitigation Fee (RTMF) Program. The intent of the RTMF is to help fund the Regional Transportation Program Tier 1 Urban and Rural project lists. In 2010, FCOG hired a consultant and convened a committee consisting of member agency representatives to prepare the RTMF Program. The Committee formed the Fresno County Regional Transportation Mitigation Fee Agency to implement one region-wide fee as opposed to sixteen separate local agency fee programs. The committee also restricted RTMF eligibility to State Highway projects on the Tier 1 list. In order to implement the projects funded by the RTMF Program on a timely basis, Fresno COG and the Authority adopted Measure C polices that allow internal loans that will be repaid as RTMF revenues are collected. The RTMF Program must be updated every 5-years. During the 2020 update, the RTMF Program was expanded and the fee was increased to provide funding for the North\Cedar portion of the SR 99 South Fresno Corridor project. The total RTMF revenue increase resulting from the update is projected to be \$32,075,000.

Other non-RTMF Local Development fees that had been identified for Tier 1 projects decreased by \$16,186,000 as the City of Fresno secured additional grant funding as described above to complete the funding for Veterans Blvd.

Finally, interest earnings from Measure C Regional funds collected but not yet expended increased \$2,164,000.

The Urban Subprogram

The Urban Subprogram has an estimated \$752,878,000 in available revenues, \$797,928,000 in expenses, and a net deficit of \$45,050,000. Net project costs increased by \$1,757,000.

As indicated, the funding for Veterans Blvd. is now complete. Project costs are anticipated to be \$5,873,000 less than in the previous 2017 Regional Transportation Program. The project is being built in five phases, with the Bullard Extension complete and the UPRR Grade Separation under construction. The Shaw to Barstow connection will be built in 2020 and the Interchange and Herndon connection will be built in 2021.

The major focus of the Urban Subprogram now shifts to interchanges along SR 99 south of Fresno. There are five obsolete "Half Interchanges" along SR 99 at North, Cedar, Central, Chestnut, and American Avenues. Caltrans, the Authority, and FCOG jointly developed an aggressive strategy to environmentally clear and combine all five interchanges into three functional interchanges to be delivered in one project referred to as the "SR 99 South Fresno Corridor Project." Due to right-of-way issues, and the fact Central/Chestnut is a Tier 2 (unfunded) project, the Central/Chestnut interchange has been removed from the project. The planning, acquisition and design of the North/Cedar and American Avenue interchanges will proceed concurrently as a single project, with construction anticipated in Fiscal Year (FY) 2023-24. The North/Cedar interchange is on the Urban Tier 1 list. American Avenue is on the Rural Tier I list. Current cost estimates for the North/Cedar Interchange are \$9,148,000 less than in the 2017 Regional Transportation Program.

The landscaping project along SR 180 between Brawley and Hughes/West is programmed in the 2020 STIP in FY 2020-21. This long delayed \$5,650,000 project is required mitigation from when this segment of the 180 freeway was built by the original Measure C.

Shaw Avenue between Dewolf and McCall Avenues increased in cost from \$5,379,000 to \$24,519,000. Measure C will fund 80% of the construction cost, with Clovis development fees providing the 20 percent match.

Herndon Avenue between Polk and Milburn increased in cost \$9,689,000 to \$24,072,000. Measure C will fund 80 percent of the construction cost, with City of Fresno development fees providing the 20 percent match. Due to a reduction in Measure C sales tax estimates related to the recession, construction of the project must be delayed one-year to FY 2022/23.

The Rural Subprogram

The Rural Subprogram has an estimated \$481,417,000 in available revenues, \$727,528,000 in expenses and a net deficit of \$245,111,000. Net project costs decreased by \$2,414,000, largely from a \$5 million savings when the Mountain View Avenue between Bethel Avenue and the Tulare County Line project was completed and closed out.

Design activities continue on the Golden State Blvd project, with construction anticipated in FY 2020-21. The project parallels the UPRR requiring various approvals from UPRR and the Public Utilities Commission (PUC). After performing preliminary engineering studies, the UPRR determined that the Class 1 trail, which is planned along Golden State Blvd., would require significant enhancements to various crossings resulting in a prohibitive cost increase. After conferring with participating member agencies (Fowler, Selma and Kingsburg), FCOG decided to remove the trail from the project scope and work with the agencies to develop an equivalent project improvement in each jurisdiction.

The Rural Subprogram includes \$61,950,000 to environmentally clear, design, acquire right-of-way, and construct the American Avenue phase of the South Fresno Corridor project concurrent with the North/Cedar Interchange project discussed above in the Urban Subprogram.

The Authority has authorized Caltrans to do preliminary studies to explore improvements along the SR 180 West connection to I-5 with the intent of developing a fundable improvement project during the life of the current Measure, which could extend into the proposed Measure C Extension.