

# Memorandum

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 8, 2013

Reference No.: 4.7  
Action Item

From: STEVEN KECK  
Acting Chief Financial Officer

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Transportation Programming

Subject: **STATE ROUTE 99 CORRIDOR BOND PROGRAM-PRUDENT RESERVE POLICY**  
**RESOLUTION R99-P-1314-02**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) reduce the State Route (SR) 99 Corridor Program Reserve from \$25,000,000 to \$22,400,000 to address unforeseen expenses for the Proposition 1B ongoing SR 99 Corridor Construction Program.

## **BACKGROUND:**

At the March 2013 Commission meeting, following a detailed project-specific analysis of risks, the Department recommended a reserve of \$25,000,000 for the SR 99 Corridor. At the June 2013 Commission meeting, the Department recommended keeping the SR 99 Corridor reserve at \$25,000,000.

To date, four SR 99 Corridor contracts valued at about \$26 million have completed construction, while an additional 21 contracts valued at about \$705 million are under construction, and one contract valued at \$1.5 million has yet to be awarded.

As reported at the June 2013 Commission meeting, \$61 million dollars was available for a combination of program reserve and additional programming at that time. Since then, \$5,479,000 was de-allocated from the Atwater-Merced Expressway Phase 1A project, increasing the total available to almost \$67 million.

The Department has reevaluated the project-specific risks and determined that the risk reserve can be reduced as shown in Table 1 below. Therefore, the Department recommends of the total \$67 million of SR 99 Corridor savings remaining, \$22.4 million should be held as a program reserve.

The Department proposes to allocate \$43,800,000 to the Pelandale Interchange Reconstruction project (PPNO 9460) at this month's Commission meeting, which will leave about \$23 million dollars for a combination of program reserve and additional programming. Of this, approximately \$8.6 million is in the Northern part of the State and \$14.4 million is in the Southern part of the State.

**Table 1: Route 99 Bond Risk Analysis Summary by Project**

<b>Route 99 Bond (North)</b>					
<b>Co</b>	<b>Project</b>	<b>SR 99 Const Allocation</b>	<b>Original Reserve</b>	<b>Revised Reserve</b>	<b>Percent Complete</b>
BUT	Butte SR 99 Chico Auxiliary Lanes	\$20,592,000	\$2,000,000	\$2,000,000	64%
SUT	Sutter 99 Segment 2	\$43,731,000	\$2,800,000	\$2,800,000	52%
SUT	State Route 99/113 Interchange	\$13,833,000	\$1,800,000	\$1,800,000	58%
SUT	SR 99/Riego Road Interchange	\$15,764,000	\$1,500,000	\$1,500,000	28%
<b>North Total</b>		<b>\$93,920,000</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	

<b>Route 99 Bond (South)</b>					
<b>Co</b>	<b>Project</b>	<b>SR 99 Const Allocation</b>	<b>Original Reserve</b>	<b>Revised Reserve</b>	<b>Percent Complete</b>
MAD	Reconstruct Interchange at Avenue 12	\$43,002,000	\$2,400,000	\$2,400,000	10%
MER	Freeway Upgrade & Plainsburg Road I/C	\$53,098,000	\$700,000	\$700,000	25%
SJ	SR 99 Widening in Manteca and San Joaquin Phase 1	\$31,644,000	\$800,000	\$100,000	50%
SJ	SR 99 Widening in Manteca and San Joaquin Phase 2	\$31,543,000	\$800,000	\$400,000	23%
SJ	SR 99 Widening in Manteca and San Joaquin Phase 3	\$3,653,000	\$2,500,000	\$1,000,000	23%
SJ	SR 99 (South Stockton) Widening	\$79,456,000	\$6,600,000	\$6,600,000	21%
TUL	Tulare to Goshen 6-Lane North Segment	\$38,727,000	\$3,100,000	\$3,100,000	11%
<b>South Total</b>		<b>\$281,123,000</b>	<b>\$16,900,000</b>	<b>\$14,300,000</b>	
<b>Corridor Total</b>		<b>\$375,043,000</b>	<b>\$25,000,000</b>	<b>\$22,400,000</b>	

**RESOLUTIONR99-P-1314-02:**

Be it Resolved, that the California Transportation Commission does hereby reduce the Proposition 1B State Route 99 Corridor Program Reserve from \$25,000,000 to \$22,400,000.