

TA

CORRESPONDENCE

as of 3-31-2023



March 30, 2023

Ms. April Chan, Executive Director
San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, CA 94070

RE: Notice of Intent to Relinquish SMCTA Funds - Holly Street/US 101 Pedestrian
Overcrossing and Interchange Project

Dear Ms. Chan:

The City of San Carlos will not be pursuing the completion of the Holly Street/US 101 Pedestrian Overcrossing and Interchange Project. We do not expect that additional funding will become available to make up the project shortfall, therefore the City of San Carlos will relinquish the balance of the SMCTA funding for this project.

Should you have any questions, please feel free to contact me.

Thank you for your support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Maltbie". The signature is stylized and fluid.

Jeff Maltbie
City Manager

CC: Steven Machida, Public Works Director
Grace Le, City Engineer



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EXECUTIVE DIRECTOR

March 17, 2023

The Honorable Nancy Skinner
Chair, Joint Legislative Budget Committee
1021 O Street, Suite 8630
Sacramento, CA 95814

The Honorable Philip Ting
Vice Chair, Joint Legislative Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Josh Becker
Chair, Senate Bdgt. Subcommittee 2
1021 O Street, Suite 6530
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Budget Subcommittee 3
1021 O Street, Suite 4170
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The Honorable Brian Dahle
Chair, Senate Bdgt. Subcommittee 2
1021 O Street, Suite 6530
Sacramento, CA 95814

The Honorable Vince Fong
Chair, Assembly Bdgt. Subcommittee 3
1021 O Street, Suite 4630
Sacramento, CA 95814

RE: Streets and Highways Code (SHC) Section 114.5

Dear Senators and Assembly Members:

On behalf of the San Mateo County Transportation Authority (SMCTA) I write today to ask for your support to reinstate Streets and Highways Code (SHC) Section 114.5, which capped the Department of Transportation (Caltrans) indirect cost recovery rate (ICRP) at 10% for projects financed by local, voter- approved special taxes for transportation.

In 2021, the Senate and Assembly Budget Committees passed the transportation TBL (AB 149) that added SHC sec. 114.5. It reads: "The department shall not charge any self-help counties with countywide sales tax measures dedicated to transportation improvements more than 10 percent for administration indirect cost recovery, as outlined in the department's Indirect Cost Recovery Proposal. The department shall charge those self-help counties for functional overhead."

This section expired on January 1, 2023, and as a result, the ICRP can increase beyond the previous 10% cap, creating budget uncertainty for locally funded projects.

As you are aware, Caltrans and Self-Help County Coalition (SHCC) member agencies, including the SMCTA, deliver transportation infrastructure for all Californians, with the SHCC member agencies investing over \$5 billion annually in the State Highway system. SMCTA partners with Caltrans on multiple highway projects within San Mateo County including the recently opened U.S. 101 Express Lanes. These investments are a critical component of our efforts to improve mobility, equity, and safety for all those traveling on state highway infrastructure. Budget certainty for Caltrans related costs is critical to ensuring the successful

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

1250 San Carlos Ave. – P.O. Box 3006
San Carlos, CA 94070-1306 (650) 508-6200

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delivery of these important infrastructure projects.

While we would prefer the elimination of the ICRP, the 10 percent cap contained in SHC 114.5 is a reasonable compromise and we respectfully request it be reinstated.

Sincerely,

A handwritten signature in blue ink, appearing to read "April Chan", written over a faint, light blue grid background.

April Chan
Executive Director

Cc: Genevieve Morales (via email at genevieve.morelos@asm.ca.gov)
Eunice Roh (via email at Eunice.Roh@sen.ca.gov)
San Mateo County Transportation Authority State Legislative Delegation
San Mateo County Transportation Authority Board of Directors