



# Measure A Highway Capital Improvement Program FY2016-FY2025

August 6, 2015  
Board of Directors  
Agenda Item 13a



## Background

- Highway Program
- Highway CIP Goals
- Development Process
- CIP Summary
- Findings
- Policy Considerations
- Next Steps



## Highway Program

- **Per voter approved Expenditure Plan 27.5% of Measure A revenue dedicated for the Highway Program**
  - 17.3% for Key Congested Areas (KCA)
  - 10.2% for Supplemental Roadways (SR)
- **The 2011 Short Range Highway Plan and 2014 Measure A Strategic Plan call for the development of a Highway CIP**

3



## Highway CIP Goals

- **Assessment of projected costs vs. revenue**
  - Annually over the next 10 years
  - Cumulative 10-year implications
- **Provide context for funding decisions to be made as part of the current Highway Program Call for Projects**
- **Identify key issues and present policy considerations**

4



## Development Process

- Conducted a best practices review
- Reviewed Short Range Highway Plan
- Generated list of projects with schedules and costs from:
  - Sponsor Letters of Interest
  - Consultant-developed project concept worksheets
  - Highway Program Call for Projects applications
- Updated revenue projections

5



## CIP Summary - Costs

### 10-year identified costs (FY 2016-2025)

- KCA projects:                 \$327.8 million
- SR projects:                 \$945.9 million
- Total project costs:     \$1.274 billion\*

*\* Includes \$182 million (or roughly 15 percent of projected 10-year needs) submitted as part of the current Highway Program Call for Projects, of which \$133.3 million is for KCA projects and \$48.7 million is for SR projects*

6



## CIP Summary - Costs

- **10-year identified costs**
  - Pre-construction: 11 percent
  - ROW and construction: 89 percent
- **Short Range Highway Plan Funding Benchmarks**
  - Pre-construction: 20 percent
  - ROW and construction: 80 percent

7



## CIP Summary - Funding

### 10-year funding projections

Measure A:	\$362.2 million
<u>Other funds*:</u>	<u>\$268.4 million</u>
<b>Total:</b>	<b>\$630.6 million</b>

*\* Development fees and federal, state and local funds*

8



## CIP Summary – Shortfall

### 10-year summary (FY2016-2025)

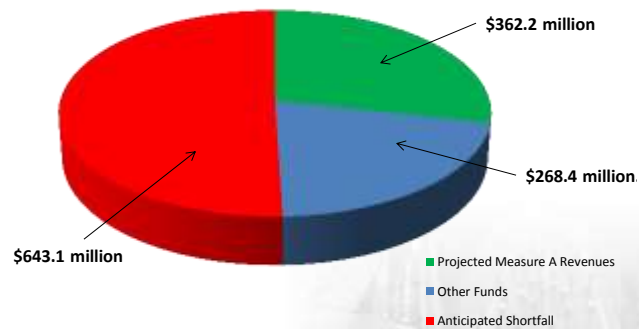
- Total projected funding: \$630.6 million
- Identified project costs: \$1.274 billion
  
- Total shortfall: \$643.1 million
  - KCA project shortfall: \$23.6 million
  - SR project shortfall: \$619.5 million

9



## CIP Summary – Identified Project Costs vs Projected Funding

Total Identified Needs: \$1.274 billion



10



## Findings – Costs vs Funding

- Needs far outweigh projected funding
- Available federal and state funding sources are declining:
  - STIP funds
  - State Proposition 1B Corridor Mobility Improvement Account (CMIA) funds fully programmed
  - Discretionary STP/CMAQ funds programmed primarily for alternative transportation by MTC

11



## Findings – Program Imbalance

Imbalance of needs for KCA and SR categories compared to Expenditure Plan funding requirements:

	Expenditure Plan Allocation	2016-2025 Need
KCA	17.3%	26%
SR	10.2%	74%

12



## Findings – Timing of Needs

- **Need to relieve increasing levels of congestion now**
- **93% of funding need by 2021**
- **\$616 million projected over remaining life of Measure A, which includes:**
  - \$362.2 million through FY2025
  - \$253.3 million from FY2026 through CY2033
- **Fewer funds will be available for future funding cycles** (\$125 million for current Call for Projects vs. \$40 million - \$50 million for future cycles)

13



## Findings – Large Projects\*

**Five pipeline projects account for 69 percent of the total \$1.274 billion in project costs:**

U.S. 101 Auxiliary Lanes (SR)	\$144.9 mil.
U.S. 101 HOV Lanes (SR)	\$233.4 mil.
U.S. 101/Candlestick Interchange (SR)	\$223.9 mil.**
U.S. 101/Produce Ave Interchange (SR)	\$150.3 mil.
<u>U.S. 101/Woodside Rd Interchange (KCA)</u>	<u>\$132.4 mil.</u>
<b>Total</b>	<b>\$884.9 mil.</b>

*\* List does not include U.S. 101/S.R. 92 Interchange (KCA), cost estimate pending further study*

*\*\* Per Bi-county Transportation Study, \$134 mil. is the projected private development contribution for the U.S. 101/Candlestick Interchange*

14



## Policy Considerations

- Consider match requirement in future
- Lobby to increase funding sources, including both public and private
- Monitor split of KCA/SR funding awards and make adjustments in future funding cycles as needed
- Prepare countywide needs assessment and prioritize “hot-spots”, focus future funding cycles on greatest regional priorities

15



## Policy Considerations

- Emphasize the completion of pipeline projects in hot spots from countywide needs assessment
- Retain the 20%-80% preconstruction and ROW/construction activity funding benchmark ratio
- Instead of “pay as you go”, consider use of bond financing to accelerate the highway program

16





## Next Steps

- Review August 2015 draft with Board, CAC and C/CAG TAC
- Sept./Oct. 2015 - Board subcommittee to review and discuss policy options
- Sept. 2015 - Board reviews draft Highway call recommendations
- Oct./Nov. 2015 – Proposed Board action regarding Highway CIP policy options and Highway call programming