

ITEM 8b

DATE: August 12, 2021

TO: MCAG Governing Board

FROM: Ty Phimmason, Senior Planner

RE: Information: 2022 State Transportation Improvement Program (STIP) Concept Memo

SUMMARY

Staff is providing the concept memo for the 2022 State Transportation Improvement Program.

REQUESTED ACTION

For information only.

BACKGROUND

Regional / State Transportation Improvement Program (RTIP/STIP)

The State Transportation Improvement Program (STIP) is a five-year transportation budget typically adopted by the California Transportation Commission (CTC) every two years. Every region, including MCAG, has a share of STIP funds and may propose projects for funding in their Regional Transportation Improvement Program (RTIP), which is then approved or rejected by the CTC.

The 2020 RTIP programmed \$29 million in Fiscal Year (FY) 2024/25 for the construction of the Atwater-Merced Expressway (AME) Phase 1B. Attached is the latest summary of the Merced STIP share, published by the CTC in August 2020.

Pioneer Road Widening Project Funding Priority Policy

In November 2019, the MCAG Governing Board adopted the Pioneer Road widening project funding priority policy, which is attached. It established the Pioneer Road project as the priority for all subsequent RTIP programming and other regional funding sources including Highway Infrastructure Program (HIP), Local Partnership Program (LPP), and up to 25 percent of Congestion Mitigation Air Quality (CMAQ).

PAST ACTIONS TAKEN

April 15, 2021: MCAG Governing Board approved option 4, which delayed the programming of the Merced region's CRRSAA STIP target share of \$1.6 million.

November 21, 2019: MCAG Governing Board adopted the 2020 RTIP.
November 21, 2019: MCAG Governing Board adopted the Pioneer Road widening project funding priority policy.

DISCUSSION

2022 RTIP and STIP

The 2022 RTIP will be developed for the 2022 STIP. The 2022 STIP covers five fiscal years: 2022/23 through 2026/27. The CTC publishes guidelines and a fund estimate in August which will indicate each region's new programming capacity. The fund estimate shows \$5.417 million as the Merced Region's target share. Except for the CRRSAA STIP, new programming will be for the last two fiscal years: 2025/26 and 2026/27. MCAG must submit the 2022 RTIP to the CTC by December 2021. Attached is the 2022 STIP development flowchart.

Mid-Cycle 2021 STIP

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021, which was signed into law on December 27, 2020, introduces additional Regional Improvement Program (RIP) funds to be programmed in RTIP's at the requests of the regions to the CTC as part of a 2021 Mid-Cycle STIP.

The Merced region's CRRSAA STIP programming target is \$1.6 million.

The Mid-Cycle STIP programming options were:

1. Propose new projects: new STIP eligible projects may request programming.
2. Augment projects: an agency may increase funding to a currently programmed project to address cost increases or additional scope.
3. Advance projects: a project programmed in later years of the STIP could be advanced.
4. Delay programming: An agency may choose to delay programming their target shares. Their shares will be available in the 2022 STIP.

The MCAG Board unanimously approved option 4.

The CRRSAA STIP funds have the CTC allocation deadline of June 2024. Therefore, these funds must be programmed in FY 2022/23 or 2023/24.

Requirements for STIP projects

The following are policies and procedures from the 2022 STIP Guidelines.

Eligible Projects

RIP funds are for capital projects, which may include highway improvements, public transit, intercity rail, intermodal facilities, grade separations, pedestrian and bicycle facilities, local roads, and safety. Road maintenance activities are ineligible. Priorities for programming are safety improvements on non-highway facilities, capital improvements that expand capacity and/or reduce congestion, and environmental enhancements and mitigations. Planning, Programming and Monitoring (PPM) funds

can be used for staff time associated with regional transportation planning, program development (i.e. preparation of the RTP, RTIP and FTIP), and monitoring the implementation of STIP projects.

Must be in Regional Transportation Plan (RTP)

The RTIP must be based on the RTP with projects drawn from it and be consistent with it.

Must have Project Study Report (PSR) or PSR-Equivalent

“A new project may not be included in the RTIP without a complete Project Study Report (PSR) or, for a project that is not on a State Highway, a PSR-equivalent.”

Environmental Clearance Prerequisite to Programming Latter Phases

"As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA)."

“The Commission recognizes that project costs and particularly project scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. The premature programming of post-environmental components can needlessly tie up STIP programming resources while other transportation needs go unmet.”

Programming Only Preconstruction Components (Environmental, Design, Right-of-Way)

“When proposing to program only preconstruction components for a project, the regional agency should demonstrate the means by which it intends to fund the construction of a useable segment, consistent with the regional transportation plan.”

Must Program Entire Phase

“A project’s phase of implementation (Environmental, Design, Right of Way, Construction) must be fully funded before it could be programmed.”

Programming for Project Construction

“The CTC may program funding for construction only if it finds that the sponsor agency will complete the environmental process and can proceed to construction within the five-year period of the STIP.”

“The CTC may program construction only if it finds construction is fully funded, either from STIP funds or from other committed funds. The CTC will regard funds as committed when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution.”

Programming Current Costs

“For each project component, the amount programmed shall be escalated to the year proposed for programming, based on the current cost estimate.”

The full STIP guidelines and other information on the STIP are available at the CTC website at:

<http://www.catc.ca.gov/programs/stip/>

Pioneer Road Project Status

\$12.35 million of regional funding has been committed to the Pioneer Road project, as follows:

- Measure V Regional (West) – \$8.65 million
- Highway Improvement Program (HIP) – \$2.09 million (\$664,000 committed)
- Local Partnership Program (LPP) – \$1.12 million (\$599,000 committed)
- Federal earmark repurposed – \$490,000 committed

The City and their consultants are preparing preliminary engineering and traffic study work. The environmental work will commence soon.

2022 STIP Schedule

CTC adopts fund estimates and guidelines	August 18-19, 2021
Deadline for regions to submit adopted RTIP's	December 15, 2021
CTC adopts 2022 STIP	March 23-24, 2022

STAFF CONTACT

If you have any questions regarding this staff report, please contact Ty Phimmasone, Senior Planner, at 723.3153 x 123 or ty.phimmasone@mcagov.org.

REQUESTED ACTION

For information only.

ATTACHMENTS

Pioneer Road Widening Project Funding Priority Policy, November 2019
2020 Summary of STIP County Share, Merced
2022 STIP Development Flowchart

Pioneer Road Widening Project Funding Priority Policy

Adopted November 2019 by the MCAG Governing Board

The Pioneer Road Widening Project in Los Banos has an estimated \$36.4 million shortfall for construction. \$8.65 million of Measure V West Side Regional Projects funds are currently committed to the project, through design and right-of-way. The City of Los Banos is the lead agency for this project.

MCAG is hereby establishing the project as the priority for the following funding sources:

1. All subsequent RTIP programming, including all capacity in the next (2022) STIP cycle.
2. Highway Infrastructure Program (HIP) funding. HIP is federal funding. About \$1.6 million is available now.
3. Local Partnership Program (LPP) formula funding. LPP is SB 1 funding administered by the California Transportation Commission and requires a 50% local match. An estimated \$600,000 per year is available, in FY's 2019-20 onward.
4. Up to 25% of Congestion Mitigation and Air Quality (CMAQ) funding for CMAQ-eligible components of the project, if there are any, or more than 25% if such components are "highly cost-effective" in air quality improvement per the CMAQ emission calculator. CMAQ is federal funding. An estimated \$3 million (total CMAQ) is available in FFY 2020-21, \$500,000 in 2021-22, and \$3.5 million in years 2022-23 onward.

Subsequent actions will be necessary for each of these sources to commit/program funds. The above establishment is not transferable to other projects and is contingent upon the completion of a Project Study Report (PSR), which the City of Los Banos is estimating will be complete in 2020.

No local funding has been identified for this project to date. MCAG will assist the City of Los Banos in seeking out other funding sources and in efforts to acquire competitive or discretionary funding from state and federal government agencies. Typically for a large funding shortfall a combination of funding sources is needed.