



April 16, 2018

TO: TAMC Executive Committee  
FROM: Gus Khouri, Principal  
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**RE: STATE LEGISLATIVE UPDATE – APRIL**

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**SB 1 Update**

For funding made available through the SB 1 competitive programs, TAMC has identified the Imjin Parkway project to be its top priority road project. TAMC staff submitted applications for the competitive portion of the Local Partnership Program (LPP) and Solutions for Congested Corridors Program (SCCP) in the amount of \$19 million for each program in order to provide the CTC with flexibility in accommodating TAMC's request. For the LPP, a one-to-one match is required, which means that \$19 million of Measure X or developer fee revenue would need to be dedicated to secure an award. We have had extensive conversations with our legislative delegation (Caballero, Cannella, Monning, and Stone), CTC staff and commissioners on our application submittals. CTC staff recommendations will be published by April 25, with an allocation vote on May 16.

**2018 State Transportation Improvement Program (STIP)**

On March 21, we attended the California Transportation Commission's meeting held in Orange County, in order to ensure that the 2018 STIP program is adopted. The STIP, a five-year program which is amended every two years, is the only source of flexible state funding that can be used for multi-modal purposes. For TAMC, the goal was to ensure that the CTC adopted the \$30 million for projects related to State Routes 68, 101 and 156.

There had been some growing concern about the recent surprising inaction by the Board of Equalization (BOE) earlier in March to adjust the price-based portion of the gas tax by 4 cents. This amount was assumed by the CTC in its Fund Estimate. The BOE's inaction could prove to be problematic as it would place a \$271 million deficit in the 2018 STIP, potentially impacting projects for FY 18-19. Thankfully, per SB 1, this is the last year that the BOE will have to make adjustments and the hope is that revenues can rebound and mitigate the loss after the price-based portion of the gas tax is set to a floor of 17.3 cents on July 1, 2019 and is adjusted annually going forward, eliminating volatility and unpredictability of funds. The hope is that the CTC can avoid an allocation plan for select projects, which would create competition for securing funds, unless an entity was to front its resources and be reimbursed by the CTC at a future date.