

## **Support Material**

### **City/County Managers Technical Advisory Committee**

**August 4, 2016**

**10:15 a.m.**

Location:

**SANBAG**

Board Room - First Floor Lobby

1170 W. 3<sup>rd</sup> Street, San Bernardino, California 92410

## **Transportation**

### **3. Measure I Annual Reports – Ellen Pollema, SANBAG**

2016-2021 Capital improvement Plans and 2017-2022 Capital Project Needs Assessments are due to SANBAG by September 30, 2016. The 2017-2022 CPNA Report process is being modified and the online version of the CPNA database will tie into the 2015 Nexus Study

*The CPNA handout is attached*

## ATTACHMENT A

### **FY 2017/2018 Capital Project Needs Analysis**

#### **Overview**

The Measure I Strategic Plan requires local jurisdictions to annually adopt a five-year Capital Project Needs Analysis (CPNA). This is a five-year plan of capital project needs for each of the following programs: the Valley Freeway Interchange Program, the Valley Major Street Program (including both the Rail-Highway Grade Separation and Arterial sub-programs) and the Victor Valley Major Local Highways Program.

The CPNA includes estimates of project costs to be incurred by funding type, fiscal year, and phase for the five year period following the beginning of the subsequent fiscal year. It also demonstrates the availability of development mitigation fair share funds for the projects as assigned by the SANBAG Nexus Study.

The CPNA must be adopted by action of each City/Town Council / Board of Supervisors and forwarded to SANBAG by **September 30, 2016**, along with a signed copy of the Resolution of your governing body adopting the document. The CPNA may also be approved through a Minute Action, if preferred.

SANBAG staff will use the CPNA submittals to develop a cash-flow analysis. A recommendation for apportionment to programs and allocation to projects will be considered by SANBAG policy committees and the Board in early 2017 so that jurisdictions can incorporate these commitments into their budget process for FY 2017/2018. Future revenue assumptions used in the CPNA, however, are not a guarantee of fund availability.

Local jurisdictions will receive funds through a reimbursement process detailed in the Measure I Strategic Plan. Balances available, along with instructions for reimbursement, are sent to each Agency annually.

As reference, the three pertinent Measure I Strategic Plan Policies are:

Measure I Strategic Plan Policy 40005 – Valley Freeway Interchange Program

Measure I Strategic Plan Policy 40006 – Valley Major Street Program

Measure I Strategic Plan Policy 40013 – Victor Valley Major Local Highways Program

All three contain additional information and can be found in Part 2 of the Plan at this link:

<http://www.sanbag.ca.gov/funding/strategic-plan.html>

## **Program Information**

### ***Valley Freeway Interchange Program***

The Valley Freeway Interchange Program contains 38 projects and is funded by 11% of the total Measure I revenue in the Valley subarea. In prior years of Measure I 2010-2040, SANBAG requested that jurisdictions submit their anticipated expenditures by phase in the CPNA spreadsheet for interchanges they were in the process of developing. With development of the SANBAG 10-Year Delivery Plan and the Valley Freeway Interchange Project Delivery Initiative, SANBAG staff and local jurisdictions are proceeding with development of Baseline Agreements that identify funding by phase and by year for each of these interchanges. This will adequately address the CPNA information required by the Measure I Strategic Plan. Therefore, no action is needed on CPNA submittals for interchange projects at this time.

However, if a jurisdiction with an interchange in the second tier of the priority list (11-20) wishes to proceed with interchange project development under an Advance Expenditure Agreement (AEA), this should be identified in the CPNA submittal. These agreements are explained in Policy 40002 of the Measure I Strategic Plan. The Valley Interchange Program has development fair share matching requirements that are shared by multiple jurisdictions. SANBAG cannot allocate funds without a commitment by the sponsoring jurisdiction to the match.

The SANBAG Board will be considering an Interchange Phasing Program within the Valley Freeway Interchange Program which would allow for low cost improvements to interchanges currently in the second or third tier. Phased improvements under this program will generally be subject to the policies outlined for interchanges under Policy 40005. SANBAG will be including a set-aside for the Phasing Program in the pending update to the 10-Year Delivery Plan. If after policy adoption a jurisdiction would like to move forward with a phased improvement, the CPNA can be amended to reflect that additional project.

### ***Valley Major Street Program***

The Valley Major Street Program is comprised of two sub-programs, the Rail/Highway Grade Separation Sub-program and the Arterial Sub-program.

- Rail/Highway Sub-program: It is unlikely that SANBAG staff will recommend funding any additional projects from the Rail/Highway Grade Separation Sub-program until the grade separations that have been committed to as part of the Trade Corridors Improvement Fund (TCIF) program have been completed.
- Arterial Sub-program: Local jurisdictions have access to Arterial Sub-program funds based on annual allocations by the Board. Eligible expenditures include the costs for project phases of any Valley arterial project included in the SANBAG Nexus Study. Local jurisdictions are reimbursed for actual expenditures incurred within the first two years of their current CPNA with reimbursement based on the actual project costs minus the development share. If these funds are collateral for a Development Mitigation Fair Share Loan on a project, please include the amount of any annual payments.

- Arterial Sub-program Equitable Shares: It is important to remember that the equitable shares of Major Street Arterial sub-program revenue have already been defined in the Nexus Study and that time-value of money is considered to ensure that these shares will be maintained over the life of the Measure. With these equity protections in place, jurisdictions do not need to be concerned about losing access to Measure I funds if they do not have projects ready to fund early in the Measure. Jurisdictions that do not request allocation of their share of funds early in the Measure will still have access to their share later in the Measure.

### ***Victor Valley Major Local Highways Program***

The Victor Valley Major Local Highways (MLH) Program requires that a master list of projects eligible for funding shall be maintained and periodically updated. The list of eligible projects must be approved by the SANBAG Board, based on a recommendation of the Victor Valley subarea representatives and the Mountain/Desert Committee. Policies VVMLH-5 and VVMLH-6 describe the process for apportionment and allocation of funds.

Eligible project expenditures in the Victor Valley MLH Program are also subject to an equitable distribution among the five member jurisdictions.

### **Instructions for Preparation**

- Use the SANBAG CPNA Database to create the CPNA Report at this link: <http://maps.sanbag.ca.gov/website/CPNA/login.aspx?ReturnUrl=%2fwebsite%2fcpna%2fdefault.aspx>. The username and password that your staff uses for the Programming/FTIP Database can be used to enter the CPNA Database.
- The database uses the Nexus Study Project Name; if the CPNA project is a phase of the Nexus Study project, include the CPNA project description in the field “Agency Project Name”.
- Propose only those projects/phases that can be realistically funded and accomplished within the defined schedule.
- Cumulative allocations and estimated future allocations should be taken into consideration.
- Identify all projects for which you may have expenditures in the five-year period. If you have expenditures that occurred in previous fiscal years, include them in the PRIOR column. Reimbursement in FY 2017/2018 can only be requested for amounts listed in three columns: PRIOR, FY 2017/2018 and FY 2018/2019.

- Consider the availability of funds you have to meet the required minimum match. SANBAG cannot allocate Measure I funds without a commitment by the jurisdiction to the match. If the development share is being funded with an internal loan or a loan of Measure I from SANBAG, this should be designated on the CPNA (Measure I Strategic Plan Policies 40005/VFI-23, 40005/VFI-24, 40006/VMS-19, 40006/VMS-53, 40006/VMS-54, 40013/VVMLH-10, and 40013/VVMLH-32.)
- For purposes of the CPNA, Valley jurisdictions may assume that their Major Street Program allocations will increase 3.3% per year from the base allocation for FY 2016/2017, i.e. the base allocation amount prior to any PAA adjustment reimbursement.
- For purposes of the CPNA, Victor Valley jurisdictions should include their Board-approved MLHP allocations and any projects identified for the 10-Year Delivery Plan that have expenditures through FY 2021/2022.