

Nevada County Transportation Commission

The Nevada County Transportation Commission (NCTC) is the Regional Transportation Planning Agency for Nevada County. NCTC coordinates state and federal transportation programs for Nevada County, the City of Grass Valley, Nevada City, and the Town of Truckee.

2008 NCTC Commissioners

Nate Beason, Chairman
Nevada County District I Supervisor

Tim Brady, Vice Chairman
Member-at-Large

Carolyn Wallace Dee
Truckee Town Council

Sally Harris
Nevada City Council

Chauncey Poston
Grass Valley City Council

John Spencer
Nevada County District III Supervisor

Russ Steele
Member-at-Large

This Newsletter is Prepared by the Staff of the Nevada County Transportation Commission

Daniel B. Landon, Executive Director
Mike Woodman, Transportation Planner
Nancy D. Holman, Administrative Services Officer
Toni Perry, Administrative Assistant

The Nevada County Transportation Commission Newsletter is published quarterly. If you would like to be added to the mailing list, please write or call the Nevada County Transportation Commission office.

101 Providence Mine Road, Suite 102
Nevada City, CA 95959

(530) 265-3202

Fax: (530) 265-3260

Web Page: <http://www.nctc.ca.gov>

E-mail: nctc@nccn.net

Upcoming NCTC Meeting

The next meeting of the Nevada County Transportation Commission is scheduled on:
Wednesday, January 28, 2009 at 8:15 a.m., Nevada County Supervisors Chambers, 950 Maidu Ave., Nevada City, CA.

NEVADA COUNTY TRANSPORTATION COMMISSION NEWSLETTER

Issue 38

"Creating a better future by building upon successes of the past"

December 2008

Inside this Issue:


Pg. 2 – Economic Situation
Pg. 3 – Priority Projects
Pg. 3 – CMAQ Funding 08/09

Federal Stimulus Package

The nation's economic crisis has created a level of concern for our national infrastructure that the federal government is looking to address. A federal stimulus package has been proposed as a way to feed dollars into transportation projects such as road and rail improvements, and transit projects across the U.S.

If approved, local agencies would be asked to submit high priority projects that are ready for construction, or buses ready for purchase. Projects short of cash could also be considered for funding. It is thought that not only would the funding keep the improvement of the transportation infrastructure moving forward, but it would put people back to work. One statistic noted by the American Public Works Association said that for every \$1 billion spent on transportation work, it would create 34,700 jobs.

Earlier this year the House of Representatives passed a \$67 billion stimulus bill, but the measure died in the Senate. There appears to be a level of support to initiate a new stimulus package. President-elect Obama has said he would like to create 2.5 million jobs by the year 2011, and has asked both political parties to support this plan. He is focused on jobs that would fix the deteriorated roadways in our country.

Legislative leaders have alerted their local jurisdictions to be poised to take advantage of funding should it become available. To stimulate the economy, a probable requirement would be to spend the funds quickly. The Nevada County Transportation Commission and the Technical Advisory Committee are looking at projects locally that could potentially be eligible for funding through a federal stimulus package. 



Insights on California's Economic Situation

Will Kempton, Caltrans Director, recently commented on the joint session held by the California Legislature where testimony was given by key leaders regarding the State's funding crisis.

Mr. Kempton reported that a distinguished panel, including State Treasurer Bill Lockyer, State Controller John Chiang, Legislative Analyst Mac Taylor, and Finance Director Mike Genest, addressed the joint session and unanimously called for prompt action by the Legislature to respond to the fiscal issues facing California. Each speaker commented that the sooner the Legislature acts to resolve the budget deficit for this fiscal year and next, the better position the state will be in to conduct business in the future.

State Treasurer Lockyer indicated that the state is short of cash, which threatens the financial obligations of the General Fund and California's overall credit rating. Transportation bond projects, like the ones currently in progress from Proposition 1B funding, are General Obligation bonds, therefore the condition of the General Fund affects Caltrans' ability to access cash to meet these bond-funded project commitments.

Proceeds from bond sales are deposited into the Pooled Money Investment Account (PMIA), which is then used to advance funds statewide for capital projects. The PMIA is also a source of funds for temporary internal borrowing that occurs, as needed, to keep the state operating. This practice allows the State Controller to balance revenues with expenditures, since most expenditures occur early in the fiscal year and most revenues are not received until the second half of the fiscal year when funds, such as income taxes, are paid to the state. The PMIA is usually replenished throughout the year by the issuing of bonds. The current market conditions and lack of a balanced state budget have restricted the state's ability to sell bonds. Thus, the cash reserve in the PMIA has dropped to a dangerously low balance.



Governor Schwarzenegger and CA Legislature in Joint Session

The PMIA Board (consisting of Governor Schwarzenegger, State Treasurer Bill Lockyer, and State Controller John Chiang) may respond to this cash crisis by deferring expenditures until bonds can be sold. Mr. Kempton said if this occurs, Caltrans may not be able to continue to fund bond projects that are new or have already been allocated.

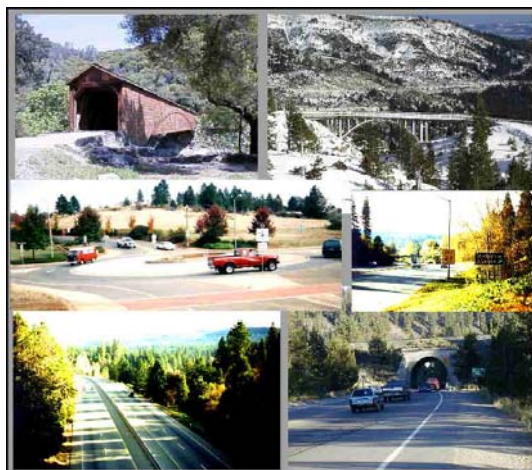
(Continued on page 2)



Will Kempton, Caltrans Director

Nevada County Transportation Commission Newsletter

101 Providence Mine Road, Suite 102
Nevada City, CA 95959



California Economic Situation - Continued

Caltrans is evaluating options such as borrowing from other transportation funds, but those resources are in short supply as well. Mr. Kempton believes that unless the overall budget situation is resolved quickly, work on bond-funded projects will stop or progress at a slower pace. They are working to develop contingency plans to keep as many projects as possible moving forward. Mr. Kempton has challenged Caltrans staff to double their efforts to reduce operating costs to the fullest extent possible. In this way, they will be able to deliver through construction as many transportation projects as possible with the resources available.

On December 8th State Treasurer Bill Lockyer warned that the state will be forced to halt work on hundreds of construction projects before Christmas unless lawmakers and Governor Schwarzenegger are able to resolve the growing budget deficit. What follows is a list of some projects in Nevada, Placer, and Sacramento Counties that could be delayed as the budget crisis threatens their progress:

Highway Projects

- Route 49 widening at La Barr Meadows Road, Nevada County, \$24.5 M
- Water drainage project on Route 267, Placer County, \$8.2 M
- Interstate 80 HOV lane in Placer County, \$39 M
- Traffic light synchronization, Florin Road, Sacramento, \$401,000
- Traffic light synchronization, Folsom Boulevard, Rancho Cordova, \$180,000

School Projects

- Nevada Joint Union High School, \$1.4 M
- Rocklin Unified School District, \$8.5 M
- Sacramento City Unified Schools, \$6.6 M
- Rio Linda Union Elementary Schools, \$1 M



I-80 bond projects could be suspended if the state budget is not amended.

State Treasurer Lockyer said the crisis threatens \$5 billion worth of projects in the current fiscal year and \$8 billion worth in the fiscal year that starts July 1, 2009, plus it would cost the state about 200,000 jobs. Jim Earp, Executive Director of the California Alliance for Jobs and a Commissioner on the California Transportation Commission, commented that the state is digging a deeper economic hole for itself if it puts public works projects on hold. He pointed out that not only would California lose thousands of construction jobs, but a freeze on funding could jeopardize money that has been promised to the states by the incoming federal administration of President-elect Obama. It is usually the case that federal allocations require matching funds from the state.

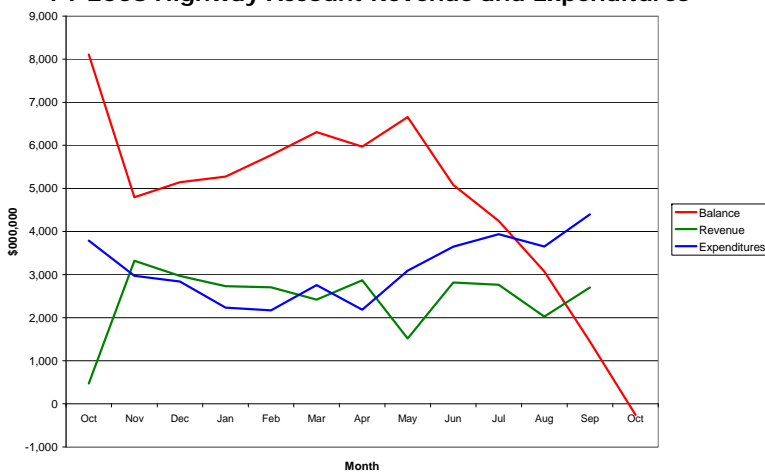
John Chiang, State Controller, said the state could be forced by March 2009 to issue the equivalent of IOUs for only the second time since the Great Depression. He stated that by the end of February, the state could be down to its last \$882 million in cash, and by the end of March it could be at least \$1.9 billion in the red.

[Note: Information taken from email sent by Will Kempton on 12/9/08 and an article in the December 9th Sacramento Bee written by Steve Wiegand.] NCTC

Federal Transportation Funding

Mary Peters, U.S. Secretary of Transportation, has provided valuable information on their website regarding new efforts to provide national leadership to states pursuing innovative and non-traditional help with transportation projects. They recently opened a new Office of Innovative Program Delivery within the Federal Highway Administration. The office will work with state Departments of Transportation to help them explore opportunities with innovative financing and congestion pricing, and to tap into the private funds available worldwide for investment in transportation infrastructure. Investing in infrastructure has become an attractive investment, so when capital begins to flow again, she believes transportation will be a natural first place for investment dollars to go. Secretary Peters would like to be ready at that point with policies in place to attract investment of projects that would provide efficient air and ground travel, better transit services, a stronger economy, and a cleaner environment.

FY 2008 Highway Account Revenue and Expenditures



This indicates that from October 2007 through October 2008 transportation expenditures exceeded revenues, which dropped the Highway Trust Fund balance to a dangerously low level.

Fuel tax receipts are the main source of revenue for the highway program. The Highway Trust Fund took in \$3 billion less in FY 2008 than in the previous year. September marked the 11th straight month that Americans put fewer miles on their cars and trucks than the month before. Also, to reduce fossil-based fuel consumption, our vehicles are becoming more fuel efficient. This dramatically highlights the contradictions inherent in relying on gas taxes to fund surface transportation.

To avoid future shortfalls, Mary Peters said it was time to embrace new funding mechanisms that respond to today's transportation challenges and are in keeping with national energy policies. "The current approach may have made sense 50 years ago, but it is ineffective and unsustainable when we are trying to reduce congestion and encouraging Americans to embrace more fuel-efficient cars." In order to compete in the 21st century global economy, the U.S. will need a world-class transportation infrastructure – something that can only be achieved by abandoning old methods that do not work, and pursuing new ones that do. NCTC

Priority Projects in Western Nevada County

State Highway 49 is the main artery for travel in western Nevada County and there are currently two high priority improvement projects in Nevada County that are in the Design and Right-of-Way (R/W) stages: SR 49/La Barr Meadows Road widening project and the Dorsey Drive Interchange. Both projects will greatly enhance traffic flow efficiency and safety once they are constructed. The big question remains as to how to guarantee there will be adequate funds to complete the Design and R/W stages, and



Signal planned between the church and fire station on SR 49 near La Barr Meadows Rd.

to have funds available to construct the projects.

The state budget crisis is currently threatening the progress of the **La Barr Meadows Road** widening project that was thought to be solidly funded by Proposition 1B funds. The project is on schedule with a beginning construction date of fiscal year 2009/10, unless the state budget crisis causes the allocated funds to be withheld. Design is complete and R/W acquisition is underway with twenty-three of the thirty-five parcels already purchased. R/W work is to be completed by April 2009.

The total project cost is \$40.5 million with \$24.9 million provided from STIP (State Transportation Improvement Program) funds and \$18.6 million from Proposition 1B funds. Construction costs are estimated at \$24.5 million.

The **Dorsey Drive Interchange** project is currently funded through the Design and R/W stages with \$6.8 million STIP funds, but does not have sufficient funding allocated at this time to ensure construction of the project, which was previously scheduled for 2010. The construction cost estimate is \$26.5 million, with \$9.8 million planned to come from STIP. The community is looking for a source of revenue to provide the remaining \$16.7 million needed for construction. Design and R/W work on the Dorsey Drive project is to be completed by August 2009. The Project Development Team is working to ensure that the project will be ready to take advantage of funding opportunities that may come from a federal stimulus package. Utility companies are finalizing their relocation plans, and R/W acquisition has begun.

A portion of the Dorsey Drive project is funded by RTMF (Regional Transportation Mitigation Fee) funds, which were also used to fund the recently completed roundabout at Idaho-Maryland/East Main Street. Plans are being discussed to upgrade and improve the SR 49/Brunswick Road Interchange as well. When these three projects (seen to right) are completed, they will greatly improve the current traffic flow issues experienced in these heavily traveled areas of Grass Valley. NCTC



Three interchange projects that will greatly improve traffic flow issues in Grass Valley

Congestion Mitigation and Air Quality Funding

Congestion Mitigation and Air Quality (CMAQ) Funding – At the September Nevada County Transportation Commission Meeting four projects were selected to be submitted to Caltrans for Federal Fiscal Year 2008/09 CMAQ funding. Projects were ranked based on two categories: Project Benefits (50%) and Project Readiness (50%). Nine projects were submitted by Nevada County, Nevada City, and Grass Valley. Only the western portion of the county is available to receive CMAQ funding due to their air quality nonattainment status. The total estimated CMAQ apportionment available to western Nevada County is \$842,984.

The projects selected were:

- 1) Purchase and Install 8 Diesel Engine Retrofit Units for Buses and Purchase 2 Clean Diesel Buses (\$161,000 - Nevada County);
- 2) Pedestrian Walkway Project from SR 49 to the Madelyn Helling Library (\$310,000 - Nevada County);
- 3) Purchase of a Regenerative Air Dust Particulate Reducing Street Sweeper (\$131,984 - Grass Valley);
- 4) Construction of a Bicycle Lane on Sacramento Street in Nevada City (\$240,000 - Nevada City). NCTC