EXHIBIT C

California Transportation Commission

2008 State Transportation Improvement Program

Recommended STIP Actions

(Excerpts only)

RECOMMENDED STIP ACTIONS

Staff recommends the adoption of the 2008 STIP to include the specific projects and schedules shown in the spreadsheets at the end of this document and as further described in the following narrative. These recommendations identify specific project components and costs for each year of the 2008 STIP, with separate groupings and programming totals for highway, transit, and Transportation Enhancement projects.

The table at page 1 of the spreadsheets identifies the total amounts recommended from each county and the interregional share for highways, rail/transit, and Transportation Enhancement (TE). The table breaks out the amounts recommended for each share by fiscal year and compares the total to the target for each county and the interregional program. It also compares the statewide total recommended by fiscal year to the statewide capacity by fiscal year.

The tables at pages 2, 3, and 4 break out the amounts recommended into the three categories related to funding sources: highways, transit, and TE. For TE, the table compares the amounts recommended to the TE targets for each county and interregional share and to the statewide TE capacity by fiscal year.

The project recommendations are based primarily on:

- project priorities and scheduling recommended by regional agencies in their regional transportation improvement programs (RTIPs) and by the Department in its interregional transportation improvement program (ITIP);
- the overall targets and the TE targets identified in the fund estimate for each county and for the interregional program;
- the statewide yearly program capacity identified in the fund estimate for flexible funding, for the Public Transportation Account and for federal Transportation Enhancement funding; and
- Commission policies as expressed in the STIP guidelines.

Project Recommendations

The staff recommendation identifies specific projects and project components to program about $1.085 billion in net new capacity, including about $5 million in capacity that staff finds will lapse by June 2008 for lack of project delivery. Commission staff is tracking the status of projects that may lapse and will provide a further report at the May 29 meeting. The staff recommendation excludes about $1.1 billion in other project nominations (including $93 million in STIP funding increases for CMIA and Route 99 Bond projects), and these are identified in the individual county and interregional program spreadsheets. In terms of dollars, most of the projects excluded are from the four counties with the RTIPs that accounted for most of the nominations over target—Los Angeles (Tier 2 proposals), Orange, Ventura, and San Diego.

The staff recommendation would program 24 county shares at or above their target and 35 under target. The area of the Metropolitan Transportation Commission includes the

county most over target (Santa Clara) and the two counties most under target (Alameda and Contra Costa). Altogether, the nine MTC counties are $13 million below target, not counting any of the $30 million in MTC-area STIP increases for CMIA projects that are pending the review of CMIA and Route 99 Bond proposals. Counties recommended for programming over target to fund key State highway projects include Del Norte, El Dorado, Kings, San Benito, and Ventura. The counties most under target include counties for which we are recommending all nominated projects, counties that nominated additional projects so large that we could not recommend them within capacity constraints, and counties that were proposing to use STIP funding for local road rehabilitation while pending state highway needs will place demands on the same STIP capacity.

In developing our recommendations, we tracked capacity for the Public Transportation Account and TE funding separately. The need to program at least $500 million for rail and transit projects in the last two years was a controlling factor, though it resulted in little difference from the pattern for highway recommendations. A more important factor was that PTA capacity for 2008-09 is zero, and—after excluding transit projects that would place a county far over target—our 5-year PTA capacity was nearly equal to the sum of candidate rail and transit projects. That meant that we had to match rail and transit projects to PTA capacity, and we could not recommend any rail or transit projects for 2008-09. We developed the TE recommendation separately, consistent with fund estimate TE capacity, yet a remarkably similar pattern held there as well.

Generally, we recommend that highway projects that were programmed in the 2006 STIP for 2008-09 and that Caltrans and regions proposed to retain in 2008-09 be reprogrammed for that year, including cost increases. Beyond 2008-09, our recommendation gives priority to retain CMIA and Route 99 Bond Program projects in the years in which they were programmed. For most other projects carried forward from the 2006 STIP, our recommendation would delay funding by at least one year. We generally recommend programming new projects and added project components in the two outer years, 2011-12 and 2012-13, with most in the latter year.

This recommended scheduling reflects the limits of capacity. We were able to hold prior projects in 2008-09 only because the RTIPs and ITIP had already proposed delays for a large proportion of these projects. Altogether, the fund estimate demanded that we delay about $1 billion from the first two years combined and about $820 million from the first three years. Giving priority to holding schedules for CMIA and Route 99 Bond projects required that the burden of delay fall on the remaining projects. It also meant that there was no capacity to add new projects or new project components within the first three years, other than by further delay to projects from the prior STIP.

Major new project funding recommended for the 2008 STIP includes:

- North State
  - Del Norte, widen and realign Patrick Creek Narrows, $18 million.
- Sacramento Valley
  - El Dorado, complete funding of Route 50 Missouri Flat Rd interchange, $27 million.
  - Sacramento, Route 5 Consumnes River Blvd interchange, $10.5 million.
  - Sacramento, Watt Avenue improvements, Kiefer Blvd-Fair Oaks Blvd, $10 million.

- San Francisco Bay Area
    - San Francisco, Doyle Drive replacement, $54 million.
    - San Francisco, Golden Gate Bridge median barrier, $20 million.
    - Marin, Route 101 San Antonio Road curve correction, $68 million.
    - Contra Costa, intercity rail double-track, Oakley-Port Chicago, $26 million.
    - Santa Clara, Airport people mover, $50 million.
- San Joaquin Valley
    - Merced, Route 59 widening (through right-of-way), $13 million.
    - Fresno, Route 180, Temperance-Academy, $33 million.
    - Kings, Route 198 19th Avenue interchange construction, Lemoore, $29 million.
    - Tulare, Route 216 widening to 4 lanes, Visalia, Lovers Lane-Road 152, $11 million.
    - Kern, Westside Parkway, funding increased by $31 million to $183 million.
- Central Coast
    - San Benito, Route 156 expressway, San Juan Bautista, $ 38 million.
    - San Luis Obispo, Route 101 Los Osos Valley Road interchange, $14 million.
    - Santa Barbara, widen Route 101, Carpenteria Creek-Sycamore Creek, $13 million.
- Southern California
    - Ventura, Route 118 widening, Tapo Canyon-LA County Line, $32 million.
    - Los Angeles, Exposition light rail, increase funding by $19 million to $103 million.
    - Orange, Route 5/74 interchange, construction, $25 million.
    - Orange, Route 91 auxiliary lane, Tustin-Route 55, $91 million.
    - Orange, Sand Canyon SCRRA grade separation, Irvine, $30 million.
    - San Bernardino, Route 58, 2-lane expressway near Kramer Junction, $119 million.
    - San Bernardino, Route 215 Barton Avenue Road interchange, $64 million.
    - Imperial, Route 8, modify Dogwood Avenue interchange, $27 million.

Transportation Enhancement Projects

Under the STIP guidelines, Caltrans and the regions may nominate either specific TE projects or TE reserves from which specific projects will be identified and receive allocations later. The Commission's practice in programming has been to give priority to projects over reserves.

The staff recommendation includes all of the projects and reserves nominated by Caltrans and the regions. It generally limits new projects and reserves, however, to the two outer years of the STIP.

In scheduling TE projects, the staff recommendation generally follows these priorities:

1. Projects carried forward from the prior STIP.
2. New projects funded from reserves identified in the prior STIP.
3. TE reserves carried forward from the prior STIP.
4. New projects not funded from reserves identified in the prior STIP.
5. New TE reserves.

The staff recommendation generally retains the requested program year for each of the first three categories. However, it delays some prior Caltrans interregional TE projects now programmed for 2009-10 and 2010-11 by one year to compensate for increased preconstruction costs and to stay within TE capacity. It generally schedules new projects and reserves for the two outer years in accordance with the TE targets in the fund estimate, even where Caltrans or a region had requested programming earlier.

In order to bring TE programming into balance with statewide capacity, the staff recommendation further adjusted TE reserve balances to about shift $5.17 million (16.8%) from 2009-10 to 2010-11 and $0.96 million (3.2%) from 2011-12 to 2012-13.

Compliance with Statutory Mandates, Interregional Program

The 25% interregional program is not constrained by county shares. By law, however, the program must comply with the following constraints, applied to the net new programming for each STIP:

- 60% of the program shall be programmed for improvements to State highways that are specified in statute as part of the interregional road system and are outside urbanized areas with over 50,000 population and for intercity rail improvements.
    - Of this amount, at least 15% (9% of the interregional program) shall be programmed for intercity rail improvements, including grade separation projects.
- 40% of the program may be programmed to transportation improvement projects to facilitate interregional movement of people and goods, including State highway, intercity passenger rail, mass transit guideway, or grade separation projects. These projects may be in either urbanized or nonurbanized areas.
    - Of this amount, 60% (24% of the program) must be in the 13 counties of the South.
    - Of this amount, 40% (16% of the program) must be in the North counties.

The statutory restrictions may be reduced to three simple constraints:

- At least 9% of the program must be programmed for intercity rail and grade separation projects.
- No more than 24% of the program may be for projects in South urbanized areas or for other South area projects not part of the interregional road system (but excluding intercity rail and grade separation projects).
- No more than 16% of the program may be for projects in North urbanized areas or for other North area projects not part of the interregional road system (but excluding intercity rail and grade separation projects).

The following table summarizes the ITIP projects included in the staff recommendation according to these categories (including interrergional TE):

INTERREGIONAL PROGRAM BY STATUTORY CATEGORY
($1,000's)

	Amount	Percent	Test
Intercity rail and grade separations	$ 36,959	13.1%	9% minimum
North counties, urbanized, non-interregional roads	39,493	14.0%	16% maximum
South counties, urbanized, non-interregional roads	29,221	10.4%	24% maximum
Interregional roads, nonurbanized	175,771	62.5%	
Total	$281,444	100.0%	

UNCERTAINTIES FOR FUTURE FUNDING ALLOCATIONS

The 2008 STIP staff recommendation is consistent with the adopted fund estimate, as required by statute. Funding conditions may change from the assumptions made in the fund estimate, however, and the Commission will need to continue to monitor those conditions to determine its ability to allocate funding to STIP projects. If available funding is less than the fund estimate assumed, the Commission may be forced to delay or restrict allocations using interim allocation plans. On the other hand, if available funding proves to be greater than the fund estimate assumed, it may be possible to allocate funding to some projects sooner than the year programmed.

As the Commission first described in its 2005 Annual Report to the California Legislature, the STIP no longer has any stable and reliable source of funding. Current revenues to the State Highway Account are no longer sufficient to support maintenance and operating costs for the State highway system and the safety and rehabilitation projects of the State Highway Operation and Protection Program (SHOPP). Except for Transportation Enhancement (TE) funds, which are restricted by federal law, no State Highway Account revenues remain for the STIP.

Except for the TE program, the STIP is now entirely dependent on revenues made available through year-to-year actions taken in the state budget process. These STIP revenues include annual transfers to the Transportation Investment Fund (TIF), which remain subject to suspension under Proposition 42 (notwithstanding the repayment provisions of Proposition 1A), annual appropriations of bond proceeds under Proposition 1B, and annual transfers to the Public Transportation Account (PTA). PTA transfers include both spillover transfers from the Retail Sales and Use Tax Fund and Proposition 42 transfers from the TIF.

2008 STIP STAFF RECOMMENDATION - COUNTY SHARE

Does Not Include STIP Interregional Share Funding (See Separate Listing)

($1,000's)

Recommended New Programming	33,902
Minimum	6,460
Target	13,566
Maximum	25,378
Under (Over) Target	(20,336)

Kings

							Project Totals by Fiscal Year						Project Totals by Component					
Agency	Rte	PPNO	Project	Ext	Voted	Total	Prior	08-09	09-10	10-11	11-12	12-13	R/W	Const	E & P	PS&E	R/W Sup	Con Sup
STIP Projects at Fund Estimate (October 2007):																		
KCAG		6L04	Planning, programming, and monitoring		Dec-07	75	75	0	0	0	0	0	0	75	0	0	0	0
Caltrans	198	4330	19th Avenue interchange, Lemoore			6,249	3,249	3,000	0	0	0	0	3,000	0	474	1,993	782	0
Caltrans	198	4348	12th Avenue interchange, Hanford			18,182	1,120	1,165	411	15,486	0	0	0	13,859	1,120	1,165	411	1,627
Caltrans	198	A4360B	4-lane expressway, Rt 43-Rt 99 (RIP) (CMIA)			7,477	7,477	0	0	0	0	0	5,254	0	1,549	0	674	0
KCAG		6L04	Planning, programming, and monitoring			75	0	0	75	0	0	0	0	75	0	0	0	0
KCAG	res	C002	TE reserve			919	200	719	0	0	0	0	0	919	0	0	0	0
	Total Existing STIP Projects					32,977	12,121	4,884	486	15,486	0	0	8,254	14,928	3,143	3,158	1,867	1,627
Highway Projects Recommended:																		
Caltrans	198	4348	12th Avenue interchange, Hanford			-18,182	-1,120	-1,165	-411	-15,486	0	0	0	-13,859	-1,120	-1,165	-411	-1,627
Caltrans	198	4348	12th Avenue interchange, Hanford			22,024	1,468	0	1,462	0	19,094	0	3,132	13,859	1,468	1,462	195	1,908
Caltrans	198	4330	19th Avenue interchange, Lemoore			-6,249	-3,249	-3,000	0	0	0	0	-3,000	0	-474	-1,993	-782	0
Caltrans	198	4330	19th Avenue interchange, Lemoore			36,234	4,164	3,000	0	0	0	29,070	3,000	26,300	1,291	2,264	609	2,770
KCAG		6L04	Planning, programming, and monitoring			-75	0	0	-75	0	0	0	0	-75	0	0	0	0
KCAG		6L04	Planning, programming, and monitoring			150	0	0	75	75	0	0	0	150	0	0	0	0
			Subtotal, Highway Projects			33,902	1,263	-1,165	1,051	-15,411	19,094	29,070	3,132	26,375	1,165	568	-389	3,051
Transportation Enhancement (TE) Projects Recommended:																		
KCAG	res	C002	TE reserve			-719	0	-719	0	0	0	0	0	-719	0	0	0	0
KCAG	res	C002	TE reserve			719	0	0	300	0	419	0	0	719	0	0	0	0
			Subtotal TE Projects			0	0	-719	300	0	419	0	0	0	0	0	0	0
	Total Proposed Programming					33,902												

Notes:

RTIP adopted on January 23, 2008 and transmitted February 14, 2008. Request to change TE reserve received May 6.

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ASSEMBLYWOMAN, THIRTIETH DISTRICT

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INSURANCE
BANKING AND FINANCE

May 1, 2008

California Transportation Commission
John Barna, Director
1120 N Street
Sacramento, CA 95814

Re: SUPPORT – City of Lemoore Application

Dear Mr. Barna:

I am writing to express my full support for the City of Lemoore's request to Kings County Association of Governments (KCAG) for an advance of STIP funding to construct the project the interchange at SR 198 and 19th Ave.

The City of Lemoore entered into an agreement with the State of California in 1984 to take all necessary steps to have an interchange constructed at the intersection of SR 198 and 19th Avenue. Several times the project has risen to the top of the priority list for the local KCOG, only to be delayed by funding shortfalls. Now that funding is available for the interchange, and nearly all planning/engineering has been completed, the City would like to have the construction advanced to the near term before changing conditions invalidate current studies and/or funding disappears again.

The existing conditions of the intersection have caused many accidents and fatalities. It is imperative that this intersection be constructed imminently.

In closing, we fully support the proposed project and recommend that the funding be approved. Your attention to this matter will be greatly appreciated. If you have any questions, please contact Derek Chemow, my Chief of Staff, at 916-319-2030.

Sincerely,

Nicole Parra

NICOLE M. PARRA
Member of the Assembly
30th Assembly District

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California State Senate

SENATOR DEAN FLOREZ

REPRESENTING KERN, KINGS, FRESNO, AND TULARE COUNTIES

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May 2, 2008

Mr. John Barna
Executive Director
California Transportation Commission
1120 N Street, Room 2221
Sacramento, CA 95814

RE: Application for the construction of the interchange at SR198 and 19th

Dear Mr. Barna:

I am writing to express my full support for the City of Lemoore's request to Kings County Association of Governments (KCAG) for an advance of STIP funding to construct the project the interchange at SR 198 and 19th Ave.

The City of Lemoore entered into an agreement with the State of CA in 1984 to take all necessary steps to have an interchange constructed at the intersection of SR 198 and 19th Avenue. Several times the project has risen to the top of the priority list for the local KCOG, only to be delayed by funding shortfalls. Now that funding is available for the interchange, and nearly all planning/engineering has been completed, the City would like to have the construction advanced to the near term before changing conditions invalidate current studies and/or funding disappears again.

The existing conditions of the intersection have caused many accidents and fatalities. It is imperative that this intersection be constructed imminently.

In closing, we fully support the proposed project and recommend that the funding be approved. Your attention to this matter will be greatly appreciated. If you have any questions, please contact Rod Brewer in my Sacramento office at (916) 651-4016.

I look forward to your response.

Sincerely,

DEAN FLOREZ
16th Senate District