

# Memorandum

**To:** CHAIR AND COMMISSIONERS

**CTC Meeting:** March 21-22, 2024

**From:** TANISHA TAYLOR, Executive Director

**Reference Number:** 4.8, Action

**Prepared By:** Matthew Yosgott  
Deputy Director

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**Subject:** Advance 2024 Trade Corridor Enhancement Program Adoption for the I-80/US 50 Managed Lanes Project, in Yolo County, Resolution G-24-30

## **Recommendation:**

California Transportation Commission (Commission) staff recommend approving advance programming of \$105,000,000 from the 2024 Trade Corridor Enhancement Program for the I-80/US 50 Managed Lanes Project, in Yolo County, as allowed by the Trade Corridor Enhancement Program Guidelines.

## **Issue:**

California Department of Transportation (Caltrans), Yolo Transportation District, and the Sacramento Area Council of Governments jointly submitted an advance programming request of \$105,000,000 for the right-of-way support and construction of the I-80/US 50 Managed Lanes Project in Yolo County. This project will provide a significant freight benefit by increasing truck throughput while also improving travel times, reducing emissions, creating 2,600 jobs, and improving safety.

Specifically, the project will construct 17 lane miles of tolled (High-Occupancy Toll 3+ [driver plus two passengers]) lanes that will improve overall freight throughput and ease congestion, construct pedestrian and bicycle facility enhancements, construct a new Class I (fully separated from the road) pedestrian and bicycle facility, as well as intelligent transportation system elements such as ramp meters, closed circuit televisions, and changeable message signs. The project has already conducted extensive community and public outreach and includes: a plan for establishing an Equity Program Advisory Committee to employ an equitable tolling system; a robust Vehicle Miles Traveled Mitigation plan that will improve and expedite transit service through the corridor, along the Capital Corridors Passenger Rail Corridor; and improvements to adjacent trail networks. Awarding state funds to this project will also successfully leverage an \$85,900,000 Nationally Significant Multimodal Freight & Highway Projects (INFRA) Program grant.

The Trade Corridor Enhancement Program Guidelines stipulate that if an applicant has an opportunity to use state Trade Corridor Enhancement Program funding to secure federal funds, the Commission may choose to award programmed funds to the project in advance of the regular programming process. The project must submit a Trade Corridor Enhancement Program application, be an eligible Trade Corridor Enhancement Program project, and demonstrate a significant freight benefit. Advanced funding opportunities are limited to 50 percent of the applicable regional funding corridor target. The purpose of this limit is to ensure that some regional funding remains available for projects that compete through the regular review and approval process. In addition, the guidelines state the intent of the Trade Corridor Enhancement Program to work in alignment with other state and federal funding programs to support projects that achieve multiple objectives.

Staff reviewed the application for the I-80/US 50 Managed Lanes Project and ranked it medium-high. In prior Trade Corridor Enhancement Program cycles, the Commission's adopted program of projects has included all projects ranked medium-high. Also, in 2022, the Commission approved advance programming for two projects ranked medium-high prior to the 2022 program being adopted. A ranking of medium high generally means that the project increases truck throughput and improves travel time significantly, reduces emissions, improves safety, and provides considerable economic benefit and creation of jobs.

The deadline to complete design and bid the project is September 30, 2024. Failure to meet this milestone would result in a deletion of the \$85,900,000 in INFRA funds. This milestone falls before the 2024 Trade Corridor Enhancement Program is expected to be adopted in June 2025, and therefore, advanced Trade Corridor Enhancement Program funding can be considered for this project.

Staff has determined the project meets all eligibility requirements for the Trade Corridor Enhancement Program and the specific requirements for advanced programming. The project is included in the fiscally constrained Sacramento Area Council of Governments' 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy.

Regarding the 50 percent of the applicable regional funding corridor target limit: the request for \$105,000,000 includes \$42,000,000 in state Trade Corridor Enhancement Program funds, and \$63,000,000 in regional Trade Corridor Enhancement Program funds; the \$63,000,000 in regional funding requested is below the target of \$64,800,000 for the Bay Area/Central Valley region.

**Background:**

The Trade Corridor Enhancement Program funds projects designed to move freight more efficiently on corridors with high volumes of freight. Pursuant to program statute (Streets and Highways Code section 2192), the total available Trade Corridor Enhancement Program funding is split: 40 percent for Caltrans-nominated statewide projects and 60 percent for five freight regions in the State. The regional 60 percent is further broken into percentages for the five freight regions based on estimated freight need in each region. The percentages are known as "regional corridor targets."

All projects nominated must be identified in a currently adopted regional transportation plan/sustainable community strategy the California Air Resources Board has determined would meet the region's greenhouse gas emissions reductions target, if implemented. The Commission evaluates and selects submitted applications based on specific Freight System Factors; Transportation System Factors; Community Impact Factors; the overall need, benefits, and cost of the project; project readiness; demonstration of matching funds; leveraging and coordination of funds from multiple sources; and jointly nominated and/or jointly funded.

The Commission adopted the 2022 Trade Corridor Enhancement Program Guidelines in August 2022. The guidelines were created in consultation with state agencies, regional transportation planning agencies, local governments, private industry, and other interested parties. Prior to adoption of the guidelines, the Commission conducted numerous public workshops throughout the state to solicit input and feedback.

Below are project details:

### **I-80/US 50 Managed Lanes Project**

- **Project Ranking:** Medium-High
- **Anticipated Project Benefits:** increased truck throughput, improved travel time, reduced emissions, creation of jobs, and improved safety
- **Project Planning Number (PPNO):** 8922A
- **Implementing Agency:** Caltrans
- **Nominating Agency and Metropolitan Planning Organization:** The Nominating Agencies are Yolo Transportation District, Caltrans, and the Sacramento Area Council of Governments. The Metropolitan Planning Organization is the Sacramento Area Council of Governments.
- **Consistency with Regional Transportation Plan and Sustainable Communities Strategy:** The project is included in the fiscally constrained section of the Sacramento Area Council of Governments' 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy.
- **County:** Yolo
- **Total Project Cost:** \$199,960,000
- **Trade Corridor Enhancement Program Funds:**
  - Recommended: \$105,000,000 total (\$100,000 for right-of-way support and \$104,900,000 for construction). \$63,000,000 is recommended out of the Regional Trade Corridor Enhancement Program portion, and \$42,000,000 is recommended out of the State Trade Corridor Enhancement Program portion.
- **Fiscal Year of Requested Programming:** Fiscal Year 2023-24 (right-of-way) and 2023-24 (construction)
- **Description of Project:** This project will construct 17 lane miles of tolled (High-Occupancy Toll 3+ [driver plus two passengers]) lanes that will improve overall freight throughput and ease congestion, construct pedestrian and bicycle facility enhancements, construct a new Class I pedestrian and bicycle facility, as well as Intelligent Transportation Systems elements such as ramp meters, close circuit televisions, and changeable message signs. The project includes a plan for establishing an Equity Program Advisory Committee to employ an equitable tolling system, as well as a robust Vehicle Miles Traveled Mitigation plan that will improve and expedite transit service through the corridor, along the Capital Corridors Passenger Rail Corridor, and improvements to adjacent trail networks.

### **Attachments:**

- Attachment A: Advance 2024 Trade Corridor Enhancement Program Adoption Resolution G-24-30
- Attachment B: Advance 2024 Trade Corridor Enhancement Program – Program of Projects

**CALIFORNIA TRANSPORTATION COMMISSION**  
**Adoption of Advance 2024 Trade Corridor Enhancement Program**

**Resolution TCEP G-24-30**

- 1.1 **WHEREAS**, on April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017, and created the Trade Corridor Enhancement Account to fund corridor-based freight projects nominated by local agencies and the state; and
  - 1.2 **WHEREAS**, on July 21, 2017, Governor Brown signed SB 103 (Committee on Budget and Fiscal Review, Chapter 95, Statutes of 2017) which directs the California Transportation Commission (Commission) to allocate the Trade Corridor Enhancement Account funds and the federal National Highway Freight Program funds to infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along corridors that have a high volume of freight movement, as determined by the Commission; and
  - 1.3 **WHEREAS**, the Commission adopted the revised SB 1 Accountability and Transparency Guidelines on March 23, 2023 that govern and outline the Commission's responsibility for the accountability and transparency of SB 1 program funds under its purview; and
  - 1.4 **WHEREAS**, it is the intent of the Commission that the Trade Corridor Enhancement Program work in alignment with other state and federal funding programs to support projects that achieve multiple objectives; and
  - 1.5 **WHEREAS**, the adopted 2022 Trade Corridor Enhancement Program Guidelines stipulate that if an applicant has an opportunity to use state Trade Corridor Enhancement Program funding to secure federal funds, the Commission may choose to award programmed funds to the project in advance of the regular programming process; and
  - 1.6 **WHEREAS**, granting advance funds is subject to the discretion of the Commission; and
  - 1.7 **WHEREAS**, Commission staff recommends \$105,000,000 in advance 2024 Trade Corridor Enhancement Program funding to the I-80/US 50 Managed Lanes Project, in Yolo County, which will provide increased goods movement throughput and travel time savings along one of California's top six freight corridors.
- 2.1 **NOW THEREFORE BE IT RESOLVED**, that the Commission hereby approves the advance 2024 Trade Corridor Enhancement Program as outlined in Attachment B; and

- 2.2 **BE IT FURTHER RESOLVED**, that this project must comply with all applicable rules and guidelines established for the adopted 2022 Trade Corridor Enhancement Program and with the SB 1 Accountability and Transparency Guidelines; and
- 2.3 **BE IT FURTHER RESOLVED**, consistent with 2022 Trade Corridor Enhancement Program guidelines, this project must receive all environmental approvals through the California Environmental Quality Act and the National Environmental Policy Act as applicable, within six months of advanced program adoption, or the Commission may delete the project; and
- 2.4 **BE IT FURTHER RESOLVED**, that a project included in the adopted Advance 2024 Trade Corridor Enhancement Program must enter into a Baseline Agreement to be approved by the Commission. The Commission may delete a project for which no Baseline Agreement is executed.

Advance 2024 Trade Corridor Enhancement Program - Program of Projects  
Resolution G-24-30

Reference No.: 4.8  
March 21-22, 2024  
Attachment B

Project Title	County	Region	Implementing Agency	Federal TCEP?	Regional	State	Total TCEP	FY	PS&E	R/W	R/W Sup	Const	Con Sup	Total Project Cost
I-80/US 50 Managed Lanes Project	Yolo	Bay Area/Central Valley	Caltrans	No	\$ 63,000,000	\$ 42,000,000	\$ 105,000,000	2023-24	\$ -	\$ -	\$ 100,000	\$ 104,900,000	\$ -	\$ 199,960,000